

Oversight Board of the Successor Agency
to the Redevelopment Agency of the City of Santa Cruz
809 Center Street
Santa Cruz, CA 95060



OVERSIGHT BOARD AGENDA

Regular Meeting

October 11, 2012

9:30A.M. CONSENT AND GENERAL BUSINESS, COUNCIL CHAMBERS

Call to Order

Roll Call

- _____ Hilary Bryant, City of Santa Cruz Vice Mayor
- _____ Neal Coonerty, Santa Cruz County Supervisor, District 3
- _____ J. Guevara, former Redevelopment Employee, Mid-Managers Association
- _____ Doug Ley, Parking District Representative
- _____ Cynthia Mathews, Public Member-at-Large
- _____ Alvaro Meza, Assistant Superintendent, Santa Cruz County Office of Education
- _____ Rachael Spencer, Cabrillo College Trustee

Administrative Business

Presentations

Additions and Deletions

Consent Agenda

2. Approve Minutes of the October 3, 2012 Oversight Board Meeting

Resolution to approve as submitted.

General Business

3. Approve and Submit Low and Moderate Income Fund Due Diligence Review

Resolution to approve as submitted.

4. Select Oversight Board Legal Counsel

Discussion and possible motion regarding hiring independent legal counsel for the Oversight Board subject to approval by Department of Finance as an enforceable obligation.

Oral Communications

Adjournment

Next Scheduled Meeting

December 13, 2012 at 9:30AM

October 8, 2012

Oversight Board to the Successor Agency of the City of Santa Cruz
337 Locust Street
Santa Cruz, CA 95060

**CONSENT AGENDA AND GENERAL BUSINESS RECOMMENDATIONS
FOR THE OCTOBER 11, 2012 REGULAR MEETING OF THE OVERSIGHT BOARD**

Dear Oversight Board Members:

This letter serves as a comprehensive staff report to the Oversight Board of the Successor Agency of the City of Santa Cruz for all agenda items for the second Regular Meeting of the Oversight Board on Wednesday, October 11, 2012.

Consent Agenda

1. Minutes of the October 3, 2012 Oversight Board Meeting

Recommended Action: Resolution to approve as submitted.

General Business

2. Low and Moderate Income Fund Required Due Diligence Review

AB 1484 requires the Oversight Board to hold a public comments session at least five days before the Oversight Board votes to approve and submit the Low and Moderate Income Fund Due Diligence Review to the Department of Finance. The Draft Due Diligence Review is attached and posted on the City's website on the Successor Agency page (located under the Department of Economic Development). The Oversight Board will consider approval of the Low and Moderate Income Fund Due Diligence Review prior to submittal to the Department of Finance by the statutory deadline of October 15, 2012.

3. Select Oversight Board Legal Counsel

Recommended Action: Resolution to select and approve legal counsel and direct staff to execute an agreement.

At the August 23, 2012 regular meeting, the Oversight Board directed staff to research and produce a list of qualified legal counsel candidates with redevelopment specialization to

serve as independent legal counsel to the Oversight Board. Staff have sought letters of interest and provided a list of potential legal counsel for the Oversight Board to consider and potentially move to execute an agreement to hold the selected counsel on retainer.

Sincerely,

Bonnie Lipscomb
Director of Economic Development

Oversight Board of the Successor Agency
to the Redevelopment Agency of the City of Santa Cruz
809 Center Street
Santa Cruz, CA 95060



DRAFT MINUTES OF THE OVERSIGHT BOARD MEETING

Regular Meeting

October 3, 2012

9:30A.M. PUBLIC HEARING, CONSENT AND GENERAL BUSINESS, COURTYARD CONFERENCE ROOM

Call to Order

City Clerk Administrator Bren Lehr called the meeting to order at 9:32 a.m. in the City Courtyard Conference Room.

Roll Call

Present: Board Members Bryant, Guevara, Meza, Spencer, Vice Chair Ley, and Chair Mathews

Absent: Board Member Coonerty

Staff: Economic Development Director B. Lipscomb, Finance Director, Marc Pimentel, Assistant Finance Director, Cheryl Fyfe

Administrative Business

NONE

Public Comments Session

1. Low and Moderate Income Fund Required Due Diligence Review
 - a. Staff Presentation
 - b. Public Comments

Chair Mathews opened the public comment period. There were no speakers. Chair Mathews closed the public comment period.

ACTION: No action taken; discussion item only.

Presentations - NONE

Additions and Deletions - NONE

Consent Agenda

2. Approve Minutes of the August 23, 2012 Oversight Board Meeting

Resolution to approve as submitted.

Chair Mathews opened the public comment period. There were no speakers. Chair Mathews closed the public comment period.

ACTION: Motion by Spencer, second by Ley, and carried by a 6:0:1 vote (Coonerty absent); the Board Members approved the Consent Agenda.

General Business

3. Select Oversight Board Legal Counsel

Discussion and possible motion regarding hiring independent legal counsel for the Oversight Board subject to approval by Department of Finance as an enforceable obligation.

Chair Mathews opened the public comment period. There were no speakers. Chair Mathews closed the public comment period.

ACTION: By Consensus the Board Members continued Item 3 to a date not yet determined in the future.

4. Amend and Approve Recognized Obligation Payment Schedule for January 1, 2013 through June 31, 2013 (ROPS #3) - First Amendment

Resolution to approve as submitted.

Chair Mathews opened the public comment period. There were no speakers. Chair Mathews closed the public comment period.

ACTION: Motion by Bryant, second by Spencer, and carried by a 6:0:1 vote (Coonerty absent); the Board Members approved the resolution.

5. Approve Potential Kron House Bridge Loan

Resolution to approve as submitted.

Chair Mathews opened the public comment period. There were no speakers. Chair Mathews closed the public comment period.

ACTION: Motion by Bryant, second by Guevara, and carried by a 6:0:1 vote (Coonerty absent); the Board Members approved the resolution.

Oral Communications

Chair Mathews opened the public comment period. There were no speakers. Chair Mathews closed the public comment period.

Adjournment - At 10:18 a.m.



**Successor Agency of the
Former City of Santa Cruz Redevelopment Agency**

**Due Diligence Review
of the Low and Moderate Income Housing Fund
Pursuant to Sections 34179.5(c)(1) through 34179.5(c)(3)
and Sections 34179.5(c)(5) through 34179.5(c)(6)
of Assembly Bill No. 1484 of 2012**

Lance Soll & Lunghard, LLP

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Brea, CA 92821

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Murieta, CA 92562

Successor Agency of the
Former City of Santa Cruz Redevelopment Agency

Due Diligence Review
of the Low and Moderate Income Housing Fund
Pursuant to Sections 34179.5(c)(1) through 34179.5(c)(3)
and Sections 34179.5(c)(5) through 34179.5(c)(6)
of Assembly Bill No. 1484 of 2012

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP
- A Professional Corporation*
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Successor Agency of the
Former City of Santa Cruz Redevelopment Agency
City of Santa Cruz, California

We have performed the procedures enumerated in Attachment A for the Low and Moderate Housing Fund, which were agreed to by the California State Controller's Office and the State of California Department of Finance (State Agencies) solely to assist you in ensuring that the dissolved redevelopment agency is complying with Assembly Bill 1484, Chapter 26, Section 17's amendment to health and safety code 34179.5. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Management of the successor agency is responsible for providing all the information obtained in performing these procedures. The sufficiency of these procedures is solely the responsibility of those parties specified in 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.

As stated above, the scope of this engagement was limited to performing the procedures identified in Attachment A, which specified the "List of Procedures for the Due Diligence Review" obtained from the California Department of Finance Website.

The results of the procedures performed are identified in Attachment B1 through B11.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of a certified opinion as to the appropriateness of the results of the procedures performed. 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 the Successor Agency.

This report is intended solely for the information and use of the Successor Agency Oversight Board, the Successor Agency and the applicable State Agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.



Brea, California
September 20, 2012

SCHEDULE A

List of Procedures for Due Diligence Review of the Low and Moderate Housing Fund

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.
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. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - b. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to 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.
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:
 - a. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - b. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - c. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

SCHEDULE A (Continued)

List of Procedures for Due Diligence Review for the Low and Moderate Housing Fund (Continued)

4. Perform the following procedures:
 - a. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency 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 of revenues, expenditures, and transfers accounts 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.
5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 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 listing should be attached as an exhibit to the appropriate AUP report.
6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:
 - a. Unspent bond proceeds:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (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).

SCHEDULE A (Continued)

List of Procedures for Due Diligence Review for the Low and Moderate Housing Fund (Continued)

- 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.
 - 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.
7. Perform the following:
- a. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
 - b. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
 - c. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
 - d. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.
8. Perform the following:
- a. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
 - i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.

SCHEDULE A (Continued)

List of Procedures for Due Diligence Review for the Low and Moderate Housing Fund (Continued)

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

SCHEDULE A (Continued)

List of Procedures for Due Diligence Review for the Low and Moderate Housing Fund (Continued)

- 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.
9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.
10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. 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. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).
11. 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 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.

Procedure 1**ATTACHMENT B1****List of Assets Transferred from the Former Redevelopment Agency to the Successor Agency****Low and Moderate Housing Fund****As of February 1, 2012**

Asset	Balance at 2/1/2012
Pooled Cash	\$ 4,272,179
Cash held by fiscal agent	1,356,392
Allow for FV of invest w/ City-current	26,909
Allow for FV of inv w/ fiscal agt-current	35,975
Pooled cash interest receivable	6,839
Trustee account interest receivable	15,928
Taxes receivable - current	10,633
Accounts receivable	8,111
Project account - investments	6,860,530
Total Assets transferred: \$	12,593,496

Procedure 2**ATTACHMENT B2****Listing of Transfers (excluding payments for goods and services) to the City
Low and Moderate Housing Fund
For the Period from January 1, 2011 through June 30, 2012**

<u>Describe Purpose of Transfer</u>	<u>Enforceable Obligation (EO)/ Other Legal Requirement (LR)</u>	<u>Amount</u>	<u>Legal Documentation Obtained? (Y/N)</u>
<u>From former Redevelopment Agency to City for January 1, 2011 through January 31, 2012:</u>			
None to report		\$ -	
	Sub-total:	<u>-</u>	
<u>From Successor Agency to City for February 1, 2012 through June 30, 2012</u>			
LMIH-Merged Notes rec - noncurrent		8,978,310	Y
LMIH-Merged Allowance for uncollectible		(569,335)	Y
LMIH-Merged Advances to other funds		500,000	Y
Capital Assets		11,473,378	Y
	Sub-total:	<u>20,382,353</u>	
Total Transfers to City for 1/1/2011 through 6/30/2012:		\$ <u>20,382,353</u>	

Procedure 3

ATTACHMENT B3

Listing of Transfers (excluding payments for goods and services) to other public agencies or private parties

Low and Moderate Housing Fund

For the Period from January 1, 2011 through June 30, 2012

NO TRANSFERS TO OTHER PUBLIC AGENCIES OR PRIVATE PARTIES

Procedure 4

Summary of the financial transactions of Redevelopment Agency and Successor Agency

Low and Moderate Housing Fund

Per schedule attached to List of Procedures for Due Diligence Review

ATTACHMENT B4

NOT APPLICABLE TO THE LOW AND MODERATE HOUSING FUND DUE DILIGENCE REVIEW

Procedure 5

ATTACHMENT B5

Listing of All Assets (excluding all assets held by the entity that assumed the housing function)
Low and Moderate Housing Fund
As of June 30, 2012

Asset				Amount
Cash	281-11101	LMIH-Merged Pooled Cash	\$ 3,513,568	
	281-11901	LMIH-Merged Allow for FV of invst-current	6,082	
	282-11101	LMIH-Eastside Pooled cash	350,881	
	282-11901	LMIH-Eastside Allow for FV of invst-current	5,215	
		TOTAL CASH:		\$ 3,875,746
Cash with fiscal agent	281-11150	LMIH-Merged Cash held by fiscal agent	985,465	
	281-11902	LMIH-Merged Allow for FV of inv w/fiscal agent	20,810	
	281-18151	LMIH-Merged Project account - Inv	6,308,150	
	483-11154	LMIH-Merged Reserve account - cash	950,997	
		TOTAL CASH WITH FISCAL AGENT:		8,265,422
Interest receivable	281-12101	LMIH-Merged Pooled cash int rec	6,566	
	281-12103	LMIH-Merged Trustee account int rec	6,248	
	282-12101	LMIH-Eastside Pooled cash int rec	648	
		TOTAL INTEREST RECEIVABLE:		13,462
		TOTAL ASSETS AT 6/30/2012:	\$	12,154,630

Procedure 6
Listing of Assets that are restricted
Low and Moderate Housing Fund
As of June 30, 2012

ATTACHMENT B6

Item #	Description	Documentation Referenced	Amount	Purpose	Legal Documentation Obtained? (Y/N)
1	Cash with fiscal Agent a) Reserve account	483-11154	\$ 950,997	Restricted per trust indenture	Y
2	Unspent bond proceeds a) 2011 TABS, Series A b) 2011 TABS, Series A	281-11150 281-18151	1,006,275 6,308,150	Restricted per trust indenture Restricted per trust indenture	Y Y
3	Interest receivable a) LMIH-Merged Trustee account int rec	281-12103	6,248	Restricted per trust indenture	Y
		TOTAL:	\$ 8,271,670		

Procedure 7
Listing of Assets That Are Not Liquid or Otherwise Available for Distribution
Low and Moderate Housing Fund
As of June 30, 2012

ATTACHMENT B7

THERE ARE NO ASSETS NOT LIQUID OR OTHERWISE AVAILABLE FOR DISTRIBUTION

Procedure 8a

ATTACHMENT B8a

Listing of Assets (resources) that are dedicated or restricted for the funding of enforceable obligations

Low and Moderate Housing Fund

As of June 30, 2012

Item #	Project Name	Reference	Approved Obligation Amount	Amount Paid in Period Ending June 30, 2012	Amount Restricted for Obligation from June 30, 2012 Balance	Legal Documentation Obtained? (Y/N)
1	Employee Costs	Page 7 Item 1	\$ 66,976	\$ -	\$ 66,976	Y
2	Other Project, Admin, Planning	Page 7 Item 2	30,475	-	30,475	Y
3	Emergency Rent Program	Page 7 Item 3	85,361	49,151	36,210	Y
4	Rental/Security Deposit Assist	Page 7 Item 5	35,684	35,684	-	Y
5	110 Lindberg St. Aff. Housing	Page 7 Item 7	2,200,000	-	2,200,000	Y
6	110 Lindberg St. Aff. Housing Proj. Delivery Costs	Page 7 Item 12	175,000	-	175,000	Y
			<u>\$ 2,593,496</u>	<u>\$ 84,835</u>	<u>\$ 2,508,661</u>	

Procedure 8b

Listing of Assets (resources) that need to be retained due to insufficient funding for the funding of enforceable obligations

Low and Moderate Housing Fund

As of June 30, 2012

ATTACHMENT B8b

NO ASSETS ARE REQUIRED TO BE RETAINED FOR THE FUNDING OF ENFORCEABLE OBLIGATIONS

Procedure 8c

Listing of Assets (resources) that need to be retained due to projected insufficient property tax revenues for bond debt payments

Low and Moderate Housing Fund

As of June 30, 2012

ATTACHMENT B8c

NO ASSETS ARE REQUIRED TO BE RETAINED FOR BOND DEBT PAYMENTS

Procedure 9

Listing of Assets (resources) that need to be retained due to projected insufficient property tax revenues for future ROPS

Low and Moderate Housing Fund

As of June 30, 2012

ATTACHMENT B9

NO ASSETS ARE REQUIRED TO BE RETAINED FOR FUTURE ROPS

Procedure 10**ATTACHMENT B10****Summary of Low-Mod Balances Available for Allocation to Affected Taxing Entities**

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$	12,154,630
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)		
	To City	-
	To other parties	-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)		(8,271,670)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		-
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)		(2,508,661)
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)		-
∞ Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance		(1,293,896)
Amount to be remitted to county for disbursement to taxing entities	\$	80,403



SUCCESSOR AGENCY OF THE FORMER CITY OF SANTA CRUZ REDEVELOPMENT AGENCY

337 Locust Street, Santa Cruz, CA 95060 • 831 420-5150 Fax: 831 420-5151 • www.cityofsantacruz.com

September 20, 2012

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 Certified Public Accountants
 203 North Brea Boulevard, Suite 203
 Brea, CA 92821-4056

We are providing this letter in connection with your performance of the Due Diligence Review of the Low and Moderate Housing Fund in accordance with Assembly Bill 1484 for the Successor Agency of the former City of Santa Cruz Redevelopment Agency. We confirm that we are responsible for the complete and fair presentation of the previously mentioned review in conformity with the listed procedures of the Assembly Bill 1484 Due Diligence Review as published by the State Department of Finance on August 27, 2012. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your review:

1. We have made available to you:
 - a. In accordance with 34179.5(c)(1), the dollar value of all assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.
 - b. In accordance with 34179.5(c)(2), the dollar value of all 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. We have also provided the documentation of any enforceable obligation that required the transfer.
 - c. In accordance with 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. We have also provided documentation of any enforceable obligation that required the transfer.
 - d. In accordance with 34179.5(c)(4), the expenditure and revenue accounting information and have identified 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.
 - e. In accordance with 34179.5(c)(5), 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 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012.

- f. In accordance with 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.
 - g. In accordance with 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.
 - h. In accordance with 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, we have provided 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.
 - i. In accordance with 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.
2. There are no material transactions that have not been properly recorded in the accounting records underlying this Due Diligence Review.
3. Management is not aware of any transfers (as defined by Section 34179.5) from either the former Redevelopment Agency or the Successor Agency to the City, other agencies or private parties for the period January 1, 2011 through June 30, 2012 that have not been identified in this report and related exhibits.
4. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
5. We have no knowledge of any fraud or suspected fraud affecting this Due Diligence Review involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on this Due Diligence Review.
6. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
7. When applicable, we have taken timely and appropriate steps to remedy fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that you have reported to us.
8. We have identified to you any previous audits, attestation engagements, performance audits, state controller reports or other studies related to the objectives of this Due Diligence Review and whether related recommendations have been implemented.
9. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity reported to you.

10. We are responsible for compliance with the laws, regulations, provisions of contracts and grant agreements applicable to us, and all provisions related to the dissolution of the Redevelopment Agency in accordance with ABx1 26 and AB 1484.
11. There are no known violations of:
 - a. Laws and regulations,
 - b. Provisions of contracts and grant agreements,
 - c. Provisions related to the dissolution of the Redevelopment Agency in ABx1 26 and AB 1484 whose effects should be considered for disclosure in this Due Diligence Review.
12. All bank accounts and investments associated with this review have been properly reflected in the general ledger accounting records.
13. No events, including instances of noncompliance, have occurred subsequent to the performance of this Due Diligence Review and through the date of this letter that would require adjustment to or disclosure in the aforementioned Due Diligence Review.

Signed: Cheryl Lyda

Signed: _____

Title: Asst. Finance Dir.

Title: _____

RESOLUTION NO. OBSA-6

RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
FORMER REDEVELOPMENT AGENCY OF THE CITY OF SANTA CRUZ APPROVING THE
DUE DILIGENCE REVIEW FOR THE LOW AND MODERATE INCOME HOUSING FUND

WHEREAS, the Successor Agency to the former Redevelopment Agency has prepared pursuant to ABx1 26 and AB 1484 a Due Diligence Review for the Low and Moderate Income Housing Fund; and

WHEREAS, Health and Safety Code Section 34179.5 (a) the Successor Agency employed a licensed accountant, approved by the county auditor-controller, with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated balances in the Low and Moderate Income Housing Fund available for transfer to taxing entities; and

WHEREAS, in accordance with Health and Safety Code Section 34179.6 (a) the Due Diligence Review for the Low and Moderate Income Housing Fund was submitted to the oversight board for review as well as a copy of the Recognized Obligation Payment Schedule was submitted to the county auditor-controller and the Department of Finance on October 3, 2012; and

WHEREAS, in accordance with Health and Safety Code Section 34179.6 (b) the Oversight Board convened a public comments session on October 3, 2012, which is at least five business days before the oversight board holds the approval vote on October 11, 2012; and

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board to the Successor Agency of the former Redevelopment Agency of the City of Santa Cruz, in accordance with Health and Safety Code Section 34179.6 (c), that the Oversight Board hereby reviews in public sessions, approves and transmits to the department and the county auditor-controller the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Health and Safety Code Section 34179.5.

PASSED AND ADOPTED this 11th of October, 2012, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Chair

ATTEST: _____
City Clerk Administrator

RESOLUTION NO. OBSA-3

RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
FORMER REDEVELOPMENT AGENCY OF THE CITY OF SANTA CRUZ APPROVING THE
SELECTION OF _____ AS LEGAL COUNSEL TO THE OVERSIGHT BOARD FOR THE
SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF
SANTA CRUZ

WHEREAS, the Successor Agency to the former Redevelopment Agency has prepared pursuant to ABx1 26 and AB 1484 Recognized Obligation Payment Schedules (ROPS) and corresponding administrative budgets for each respective six-month period; and

WHEREAS, Health and Safety Code Section 34177.3 (b) allows successor agencies to create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance; and

WHEREAS, the Oversight Board to the Successor Agency of the former Redevelopment Agency of the City of Santa Cruz amended and approved the Recognized Obligation Payment Schedule for January 1, 2013 to June 30, 2013 to include TEN THOUSAND DOLLARS (\$10,000) for potential Oversight Board legal counsel; and

WHEREAS, the Oversight Board to the Successor Agency of the former Redevelopment Agency of the City of Santa Cruz directed staff on August 23, 2012 to research and seek qualified legal professionals to potentially serve as independent legal counsel;

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board to the Successor Agency of the former Redevelopment Agency of the City of Santa Cruz that the Oversight Board hereby approves a _____ as the legal counsel to the Oversight Board in as provided for in Health and Safety Code Section 34173 (h).

PASSED AND ADOPTED this 11th of October, 2012, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____

Chair

ATTEST: _____
City Clerk Administrator

Law Offices of Craig Labadie
50 Tara Road
Orinda, CA 94563
(925) 250-5424 [cell]
(925) 253-0838 [office]
labadielaw@gmail.com

September 29, 2012

J. Guevara
Redevelopment Manager
Economic Development Department
City of Santa Cruz
337 Locust Street
Santa Cruz, CA 95060

RE: Legal Services for Santa Cruz Oversight Board

Dear Mr. Guevara:

Pursuant to your request, this letter expresses my interest in providing legal services to the Santa Cruz Oversight Board as it carries out its duties pursuant to the Redevelopment Dissolution Law. Attached please find a copy of my resume, which details my 30+ years of experience in the field of municipal law, including redevelopment law. Prior to my departure from the City of Concord in December 2011, I had served for eleven years as the City Attorney, as well as General Counsel to the Concord Redevelopment Agency. In that capacity, I regularly provided advice to the City on the full range of municipal law issues. In addition, I provided day-to-day legal advice to the Redevelopment Agency and also represented the Agency in numerous complex transactions with the assistance of outside redevelopment counsel.

In late March of this year, I was retained to serve as legal counsel to eight redevelopment Oversight Boards of varying sizes in San Mateo County. This representation has entailed regular attendance at Board meetings and provision of advice on a wide variety of legal questions arising from the Redevelopment Dissolution Act, (AB1x 26), as well as the recently enacted Budget Trailer Bill (AB 1484). Recently, I was retained to advise the San Ramon Oversight Board with regard to the disposition of real property formerly owned by the San Ramon Redevelopment Agency.

If retained as legal counsel for the Oversight Board to the Successor Agency for the former Santa Cruz Redevelopment Agency, my billing rate would be \$215 per hour.

Please let me know if you have any questions or if you would like any further information.

Very truly yours,

CRAIG LABADIE

Attachment: Resume

CRAIG LABADIE

PROFESSIONAL EXPERIENCE

LAW OFFICES OF CRAIG LABADIE
Sole Practitioner

Current

Special Counsel for Redevelopment Dissolution Oversight Boards in Belmont, Foster City, Menlo Park, Millbrae, Pacifica, Redwood City, San Bruno, San Ramon, and South San Francisco. Contract City Attorney for the City of Albany. Special Counsel to the City of Concord on issues pertaining to the reuse planning and property disposition process for the former Concord Naval Weapons Station.

CITY OF CONCORD
City Attorney

2000 - 2011

Served as the chief legal advisor to City Council, Redevelopment Agency, Concord Naval Weapons Station Local Reuse Authority, City Boards and Commissions, and all City Departments. Represented the City and oversaw outside litigation counsel in connection with liability claims and litigation, including municipal code enforcement litigation. Subject matter areas included Brown Act, Public Records Act, Political Reform Act, municipal finance, public works, land use and environmental law, redevelopment, labor and employment, military base closure, law enforcement, and general municipal law.

As an officer and President of the City Attorneys Department within the League of California Cities from 2004-07, I took an active leadership role in numerous educational and advocacy efforts for our membership. Ongoing activities included planning of educational seminars, updating Municipal Law Handbook, and oversight of Legal Advocacy Committee. Special initiatives as President included drafting of *The People's Business: A Guide to the California Public Records Act*, updating of *Open and Public IV: A Guide to the Ralph M. Brown Act*, updating of guidebook on Proposition 218 (limits on local fees, taxes and assessments), and updating of guide to compliance with conflict of interest laws.

MCDONOUGH, HOLLAND & ALLEN, Oakland, California
Shareholder, Public Law Department

1989 - 2000

City Attorney for the Cities of Mill Valley, Sausalito and Hercules
Acting City Attorney for the City of Novato
Special Counsel for numerous Bay Area cities

Founding shareholder of Bay Area office for Sacramento-based firm representing local public agencies. Areas of specialization included general municipal law, land use and environmental law, open government laws, eminent domain, annexations, development agreements, developer fees and exactions, inverse condemnation, public works, redevelopment, and municipal finance.

Frequent lecturer and author on land use and environmental law topics for various U.C. Extension branches, as well as professional associations such as the League of California Cities, local city attorney associations, and professional organizations for urban planners.

MCCUTCHEN, DOYLE, BROWN & ENERSEN, Walnut Creek 1988 - 1989
Attorney, Land Use and Local Government Group

Represented cities and private sector clients on land use matters and related litigation. Handled litigation involving land use initiatives, CEQA, development agreements, general plans and housing elements. Negotiated development agreements and provided advice concerning CEQA compliance.

LEAGUE OF CALIFORNIA CITIES, Sacramento, California 1985 - 1988
Legislative Attorney

Represented cities before the California Legislature and state agencies on issues pertaining to CEQA, environmental law, hazardous materials, land use, housing, parks and recreation and solid waste. Worked extensively with city council members, planning commissioners, city managers, city attorneys, and planning directors from cities throughout California in connection with the League's legislative and educational efforts. Provided staff support for League Policy Committees, City Attorneys Legislative Committee, and Legal Advocacy Committee.

RUTAN & TUCKER, Costa Mesa, California 1982 - 1985
Attorney, Public Law Department

Assistant City Attorney, City of Laguna Beach
Deputy City Attorney, Cities of San Clemente and Irvine

Provided contract city attorney services and served as special litigation counsel to several Southern California cities. Staffed meetings of City Councils and Planning Commissions. Represented cities in litigation concerning CEQA, land use, housing elements, and hazardous waste cleanup. Assisted in preparing development agreements and redevelopment agreements.

CALIFORNIA SUPREME COURT, Associate Justice Stanley Mosk 1981 – 1982
Annual Law Clerk

Researched and drafted Supreme Court opinions, evaluated cases presented for hearing, and supervised student externs. Drafted manual for handling appellate writs.

PROFESSIONAL ASSOCIATIONS

LEAGUE OF CALIFORNIA CITIES - CITY ATTORNEYS DEPARTMENT

President (2006-07)
Department Officer (2004-06)
Chair, Legislative Committee (2002-04)
President, Contra Costa County City Attorneys Association (2001)
President, Bay Area City Attorneys Association (1996)
Member, Municipal Law Handbook Committee (1993-95)

CALIFORNIA STATE BAR

Public Law Section, Executive Committee (1989-92)
Editor, *Public Law Journal*
Member, Contra Costa County Bar Association (1988-Present)

CONTINUING EDUCATION OF THE BAR

Chair, Continuing Education of the Bar Governing Committee (1998-99)
Member, Continuing Education of the Bar Governing Committee (1994-97)
Chair, Joint Advisory Committee on Continuing Education of the Bar (1993-94)
Chair, Continuing Education of the Bar Subcommittee on Real Property Law (1991-93)

LEGAL EDUCATION

UNIVERSITY OF CALIFORNIA, DAVIS

Juris Doctor Degree (1981)
Order of the Coif
Editor, U.C. Davis Law Review
Best Brief Award, Environmental Moot Court Competition



RENNE SLOAN HOLTZMAN SAKAI LLP

350 Sansome Street, Suite 300
San Francisco, CA 94104-1304
t: 415.678.3800
f: 415.678.3838

October 2, 2012

DAVID KAHN
dkahn@publiclawgroup.com
(415) 678-3810

VIA EMAIL

jguevara@cityofsantacruz.com

J. Guevara
Redevelopment Manager
Oversight Board
City of Santa Cruz
337 Locust Street
Santa Cruz, CA 95060

Re: Proposal for Legal Services to the Oversight Board of the City of Santa Cruz

Dear Mr. Guevara:

Renne Sloan Holtzman Sakai LLP, Public Law Group™, is pleased to submit this proposal to provide legal services for the City of Santa Cruz Oversight Board.

APPROACH TO LEGAL SERVICES AND FIRM OVERVIEW

Renne Sloan Holtzman Sakai was founded to provide professional, efficient, and creative legal services to meet the distinctive needs of local governments. Our philosophy is to provide advice and representation that allows policy makers and boards to achieve their goals while minimizing legal risk. We represent many public agencies, including the State of California, the University of California, California State University, and numerous cities, counties, and special districts as well as school and community college districts. We have extensive experience advising and representing public agencies on all areas of California Community Redevelopment Law, public contracts, affordable housing and real property law. The firm maintains offices in San Francisco and Sacramento, with satellite offices in Albany and Los Angeles.

Attorneys in our General Government Team have decades of high-level experience representing public entities. Louise Renne served as San Francisco's City Attorney for sixteen (16) years, overseeing a 200-lawyer public law office and pioneering novel approaches to public law matters, and subsequently served as the City Attorney and Redevelopment Agency General Counsel for the City of Richmond. Jonathan Holtzman worked for the City and County of San Francisco for fifteen (15) years in a variety of roles including Chief Deputy City Attorney and director of Policy and Labor for Mayor Willie L. Brown Jr. David Kahn served as the City





Attorney and Redevelopment Agency General Counsel for the City of Sunnyvale for seven (7) years, and prior to that served as Senior Deputy County Counsel for Santa Clara County for five (5) years. Randy Riddle served as the City Attorney and Redevelopment Agency General Counsel for the City of Richmond, and previously served as lead attorney for the San Francisco Department of Elections, Chief of the San Francisco City Attorney's Government Litigation Group and Chief Counsel to the California Secretary of State. Teresa Stricker possesses extensive public law experience, and previously served as a San Francisco Deputy City Attorney specializing in general government law counseling and litigation, constitutional law, and appellate advocacy. Scott Dickey serves as General Counsel to the San Francisco Community College District, and has served as the Chief Deputy City Attorney for the City of Richmond, and previously served as a San Francisco Deputy City Attorney specializing in general government law counseling, litigation, administrative law and appellate advocacy.

Our General Government Team brings together:

- Extensive experience in the practice of municipal law;
- Significant experience in land use and redevelopment law;
- Expertise in litigation, writ practice and appellate advocacy in state and federal courts;
- Extensive experience appearing before and advising administrative bodies;
- First rate reputations within the legal community at local, state and federal levels;
- Extensive experience in law relating to the services of all municipal departments, including City Clerk, City Manager/Chief Administrative Officer, Community Development, Community Resources, Finance, Fire Administration, Housing, Personnel, Police Administration, Recreation and Parks, Public Works and Redevelopment;
- Proven ability to develop and maintain critical relationships with political bodies, including city councils, boards of supervisors, other boards and commissions; and
- Proven ability to proactively solve legal issues for city departments prior to reaching the litigation stage, and to communicate changes in the law effectively to city departments and officials.



PROPOSED LEGAL COUNSEL FOR OVERSIGHT BOARD

Although we work as a team, providing a network of legal support for our public sector clients across all of our practice areas, we are pleased to propose David Kahn as the primary provider of legal counsel services for the City of Santa Cruz Oversight Board. David brings extensive experience in the California Community Redevelopment Law, ABx1 26, public contracts, affordable housing, and real property law. He joined the Public Law Group™ in 2012 immediately after seven years as a Redevelopment Agency General Counsel and representing a Successor Agency and Oversight Board as counsel in 2012 to commence implementation of ABx1 26.

David will have the ability to draw on internal Public Law Group™ resources for additional expertise in a variety of areas, including conflicts, and ethics matters. Attached is David's professional resume.

Current Oversight Board Clients

David represents the Oversight Boards of the City of Healdsburg, the City of Salinas, the City of Petaluma, and the City of Santa Monica to advise on all aspects of ABx1 26 and AB 1484, Oversight Board responsibilities, and legal issues. To the extent that research and advice is equally applicable to all Oversight Boards represented, costs will be reduced by pro-rating the rate among the Boards.

Following is a brief description of David's qualifications and experience.

Legal Training and Bar Admission

David earned his J.D. from Boalt Hall Law School, University of California in 1980. He was admitted to the Bars for the States of California and Washington in 1981 and 1988, respectively. In 1998, David was admitted to the Bar of the United States Supreme Court.

Public Entity Experience

David has over 26 years of experience in representing public agencies at both the city and county level. Most recently, he served as Sunnyvale (population 140,000) City Attorney and Redevelopment Agency General Counsel from 2005 to 2012. Both the City Council and Redevelopment Agency are Brown Act boards and David advised at over 200 meetings of these boards. David provided Brown Act instruction to the Leadership Sunnyvale class of prospective public officials for seven years. As City Attorney, David advised the City Council, City Manager and all City departments.



From 2000 to 2005, David was Senior Deputy County Counsel in Santa Clara County (population 1,787,694). In addition to substantial redevelopment work, David's clients included the sheriff, Superior Court, airports, finance, tax collector and grand jury. David successfully advised the Census 2000 Redistricting Committee through the politically sensitive redrawing of district boundaries.

From 1995 to 2000, David was City Attorney of Mercer Island, Washington. He advised and represented the City Council and Planning Commission, both subject to the Washington Open Meetings Law (the Brown Act equivalent in Washington). He provided legal advice to the Council and all City departments. From 1988 to 1995, David was Chief of Litigation for Bellevue, Washington, a major economic center for the Puget Sound region. In addition, he served as a Deputy City Attorney for the City and County of San Francisco from 1986 to 1988, representing the school district, Municipal Railway, police department and other city departments.

Redevelopment and Related Experience

David has the exceptional background of having substantively represented both a City and County in redevelopment matters and thus having a perspective on the legal and policy concerns of both a redevelopment agency and other taxing entity. David's experience with the California Community Redevelopment Law began in 2000 and issues included redevelopment area creation and expansion, statutory pass-through payments, definition of blight, and allocation of property tax increment received by the redevelopment agency. He worked extensively with the Community Redevelopment Law and appeared on contested redevelopment hearings.

As City Attorney for the City of Sunnyvale, David immediately became involved as Redevelopment Agency General Counsel with a major redevelopment project comprising the majority of the downtown area. At the time of his hire, the area was blighted with a closed parking structure and a shuttered and empty mall. Although a developer was in place, it defaulted on the project and David successfully negotiated a revised Development and Owner Participation Agreement and transfer of the Project. The project is very complex, with future redevelopment tax increment funding public infrastructure and parking structures for the mixed use retail, commercial and residential project and public and private property ownership within the project area. After approximately \$300 million was invested in the project, the 2008 financial collapse resulted in the lender filing for foreclosure, the appointment of a receiver, and another renegotiation of the Development and Owner Participation Agreement and the ability to market the project. David advised on all applicable aspects of the California Community Redevelopment Law during the seven years he served as General Counsel for the Redevelopment Agency on this project.



With the initial passage of ABx1 26, David advised on the potential impacts of the legislation and advised on the Redevelopment Agency's adoption of the "opt in" payment which would have allowed the continued existence of redevelopment agencies. He monitored the filing and argument of the *Matosantos* case, in which the California Supreme Court affirmed ABx1 26 and found ABx1 27 unconstitutional, resulting in the dissolution of redevelopment agencies and the creation of Successor Agencies and Oversight Boards. Between January to May 2012, David advised the Sunnyvale Successor Agency and Oversight Board in the many actions and deadlines with the County and State, and in reviewing enforceable obligations and the Recognized Obligations Payment Schedule (ROPS).

As City Attorney, David advised regularly on public contracts, affordable housing, public works, contracting and real property law. The City of Sunnyvale has an Office of Affordable Housing which partners with non-profit housing providers to fund and construct affordable housing. David initiated and successfully negotiated a partnership between the County of Santa Clara, the City of Sunnyvale and Mid-Pen Housing to resolve a redevelopment dispute and construct a new 120 unit senior affordable housing development.

David is prepared to undertake all legal duties for the City of Santa Cruz Oversight Board, including:

- Serving as counsel at all Oversight Board meetings and responding to all Brown Act, conflict of interest, parliamentary procedure, and other legal issues.
- Providing legal advice and guidance on ABx1 26 and AB 1484 obligations and responsibilities of the Oversight Board, as well as its fiduciary responsibilities.
- Providing legal advice and counsel on ABx1 26 and AB 1484 issues and mandatory/discretionary actions before the Oversight Board.
- Providing legal advice on the Oversight Board's relationship with the Successor Agency.
- Providing thorough legal opinions as requested by the Oversight Board.
- Responding promptly to requests for other duties within the scope of the Oversight Board.

David has extensive experience in working with elected officials with divergent viewpoints and policy goals.



Work Plan

Upon appointment as counsel to the Oversight Board, the work plan (subject to client direction) may include:

- Review of the City of Santa Cruz Successor Agency redevelopment projects.
- Review of financing of the City of Santa Cruz Successor Agency redevelopment projects.
- Review of Enforceable Obligations Payment Schedule and Recognized Obligations Payment Schedule for Successor Agency and Department of Finance responses.
- Review of Affordable Housing projects and status and Department of Finance responses.
- Establishment of communication protocols with Oversight Board counsel.
- As requested, research and development of legal memos on Oversight Board responsibilities and discretion on transfer of assets, agency wind-down, and amendment or termination of prior RDA agreements.

REFERENCES

City/County	Reference	Description of Work
City of Healdsburg 401 Grove Street Healdsburg, CA 94086	David Mickaelian Assistant City Manager (707) 431-3318 dmickaelian@ci.healdsburg.ca.us	<i>Counsel to the Oversight Board on all ABx1 26 and AB 1484 matters</i>
City of Salinas 201 Lincoln Ave. Salinas, CA 93901	Don Reynolds Project Manager (831) 775-4245 donaldr@ci.salinas.ca.us	<i>Counsel to the Oversight Board on all ABx1 26 and AB 1484 matters</i>
City of Sunnyvale Sunnyvale City Hall 456 W. Olive Avenue Sunnyvale, CA 94086	Grace Leung Finance Director and Oversight Board Member (408) 730-7398 gleung@ci.sunnyvale.ca.us	<i>Advised for 4 years as Finance Director on redevelopment, ABx1 26, successor agency and oversight board issues.</i>



CONFLICTS STATEMENT

We know of no current or potential conflicts of interest that would prevent us from providing legal services to the City of Santa Cruz Oversight Board.

FEE PROPOSAL

The Firm will bill the City of Santa Cruz for professional services at our public agency discounted hourly billing rate.¹ David Kahn's discounted hourly rate for this project will be \$285 per hour. David currently is counsel to four other Oversight Boards. To the extent that research or work is equally applicable to all oversight boards, the hourly rate will be pro-rated based on the total number of oversight boards represented. Our associate rates depend on the associate's years of experience out of law school and the rates are \$205 to \$285 per hour. Paralegals are billed at \$95 to \$125 per hour. Billing is done in 1/10s of an hour increments.

In addition, the Firm charges separately for certain costs incurred in the representation, as well as for any disbursements to third parties made on a client's behalf. Such costs and disbursements include, for example, the following: travel-related expenses (including airfare), computer-assisted research, transcription, overnight delivery and messenger services. The Firm also bills for time spent traveling on a client's behalf at our normal hourly rates. However, for travel to and from Santa Cruz Oversight Board meetings we would bill a flat rate of \$300, substantially less than half the normal public agency rate.

We will bill you on a monthly basis for services performed and costs incurred. Payment is due within 30 days of the date an invoice is rendered. Past due amounts will be shown on the invoice.

You may terminate our services at any time, subject to any applicable requirements for withdrawal of counsel imposed by a tribunal. The Firm reserves the right to withdraw from the representation for failure of the client to make timely payment of fees, costs, and disbursements in accordance with the fee arrangement described in this letter, or for any other reason permitted by the applicable Rules of Professional Conduct.

In conclusion, Renne Sloan Holtzman Sakai LLP is exceptionally well-qualified to provide legal services to the Oversight Board of the City of Santa Cruz. We currently represent four Oversight Boards. Additionally, the experience of representing both a county and city in redevelopment matters, as well as hands-on experience in advising a Successor Agency and Oversight Board in

¹ These rates are reviewed and may be modified every year, generally in January.



RENNE SLOAN HOLTZMAN SAKAI LLP

Proposal for Legal Services to the
City of Santa Cruz Oversight Board
October 2, 2012
Page 8

the implementation of ABx1 26 and AB 1484, provides both a balanced perspective and credibility. We look forward to the opportunity to provide legal services to the Oversight Board of the City of Santa Cruz.

Sincerely

David Kahn

Attachment: Resume of David Kahn



SAN FRANCISCO OFFICE

t: 415.678.3800

f: 415.678.3838

dkahn@publiclawgroup.com

PRACTICE AREAS

Government Law and Litigation
General Counsel to Public Agencies

Redevelopment (Successor
Agencies and Oversight Boards)

Land Use and Development

Sustainability

CEQA

BAR ADMISSION

California

Washington (Inactive)

Navajo Nation (Inactive)

EDUCATION

Boalt Hall Law School, University of
California, Berkeley, J.D.

University of California, Santa Cruz,
B.A.

David Kahn

Partner

EXPERIENCE

Mr. Kahn advises and represents both public agency and private clients on public agency law, redevelopment, and land use issues. Mr. Kahn brings to his clients over 30 years of public agency experience and creative solutions to complex public issues and public-private partnerships. He has represented both a City and a County on redevelopment issues and can bring that unique perspective to current redevelopment successor agency wind-down issues and oversight boards. As City Attorney for Sunnyvale, California and Mercer Island, Washington, Mr. Kahn represented and advised City Councils and City Managers, in addition to planning, human resources, police and fire, finance, and public works departments. Mr. Kahn's experience as Senior Deputy County Counsel for Santa Clara County included representation of the sheriff's department, Superior Court judges, grand jury, County airports, finance and tax collector. He has advised on Brown Act, California Public Records Act, and Conflict of Interest regulations. He has also been the legal advisor to citizen committees such as the Census 2000 County Redistricting Committee and Charter Review Committees. Mr. Kahn also has substantial appellate advocacy experience. Mr. Kahn received the 2003 County Counsel Litigation Award, and is rated AV-Preeminent by Martindale-Hubbell.

Some of the cases and issues Mr. Kahn has provided advice and representation on include:

- Complex \$750 million redevelopment project of downtown. Representation included removal of defaulting developer, renegotiation of development agreement, environmental remediation and coordination with Regional Water Quality Control Board, and creative solutions to continue Project progress during 2008-09 economic downturn.
- Closure and re-use of military base in City.
- Advising City Councils for 12 years, including on controversial issues such as medical marijuana, group housing and campaign finance reform ordinances.
- Challenges under CEQA to City projects.
- Negotiations on behalf of City with County and Affordable Housing Agency leading to partnership and construction of senior affordable housing at County Clinic site.
- Representation of County in 2003 PGE bankruptcy litigation.

- Representation of County in binding arbitration for airport operator lease payment dispute.
- Trial and appellate counsel for County in Subdivision Map Act litigation.
- Representation of City in litigation to preserve historical restaurant and tavern from nuisance challenge.
- Representation of police officer at Inquest Hearing for first officer-involved shooting fatality in City.

Related Experience

Immediately prior to joining Renne Sloan Holtzman Sakai, Mr. Kahn was City Attorney/Redevelopment Agency General Counsel for the City of Sunnyvale for seven years and handled the complete range of government law issues. From 2000-2005, Mr. Kahn was Senior Deputy County Counsel for the County of Santa Clara. From 1995 to 2005, Mr. Kahn served as City Attorney for the City of Mercer Island, Washington. Mr. Kahn was Deputy City Attorney/Chief of Litigation for Bellevue, Washington, from 1988-2007, where he litigated a number of high profile cases and provided appellate advocacy in both the Court of Appeals and Washington Supreme Court. Mr. Kahn began his city attorney experience with the City and County of San Francisco, where he was a team leader for a litigation team representing the police department, school district, MUNI and public works department. Mr. Kahn was also a Deputy Public Defender for Santa Clara County, where he tried both felony and misdemeanor matters.

During law school, Mr. Kahn was an extern to the Chief Justice of the Alaska Supreme Court, as well as a law clerk with DNA Legal Services on the Navajo Nation. Prior to law school, Mr. Kahn was a VISTA Volunteer with Community Legal Services in San Jose.

Reported Appellate Cases

- *Pfeiffer v. City of Sunnyvale*, 200 Cal. App. 4th 1552 (2011)
- *Trinity Park LP v. City of Sunnyvale*, 193 Cal. App. 4th 1014 (2011)
- *Sunnyvale West Neighborhood Assoc. v. City of Sunnyvale City Council*, 190 Cal. App. 4th 1351 (2010)
- *Van't Rood v. County of Santa Clara*, 113 Cal. App. 4th 549 (2003)
- *Zilog v. Superior Court*, 86 Cal. App. 4th 1309 (2001)
- *Lillian F. v. Superior Court*, 160 Cal. App. 3d 314 (1984)
- *Peterson v. City of Bellevue*, 56 Wash. App. 1 (1989)
- *Crippen v. City of Bellevue*, 61 Wash. App. 251, cert. denied 117 Wash. 2d 1015(1991)



- *Rozner v. City of Bellevue*, 116 Wash. 2d 342 (1991)
- *IAFF v. City of Bellevue*, 119 Wash. 2d 373 (1992)
- *Mull v. City of Bellevue*, 65 Wash. App. 245 (1992)
- *Bellevue 120th Associates v. City of Bellevue*, 65 Wash. App. 594, cert. denied 818 P. 2d 1098

Professional Activities

- *California League of Cities, City Attorney Division, Brown Act Committee (2011-present)*
- *California League of Cities, City Attorney Division, Nominating Committee (2011)*
- *California League of Cities Legal Advocacy Committee (2007-09)*
- *Santa Clara County Bar Association Judiciary Committee (2001-02)*
- *Washington State Bar Association, Trustee*
- *Member, United States District Court Magistrate Judge Selection Committee*
- *Chair, United States District Court Pro Bono Committee (1996-1998)*

Michael H. Roush
Attorney at Law
5571 Corte Sierra
Pleasanton, CA 94566
925-876-7525
mhrlegal@comcast.net

October 3, 2012

J. Guevara
Redevelopment Manager
City of Santa Cruz
337 Locust Street
Santa Cruz, CA 95060

Re: Proposal to Provide Legal Services—Santa Cruz Oversight Board

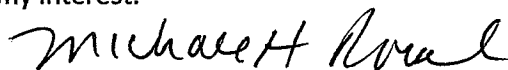
Dear Mr. Guevara,

I served as the full time City Attorney for the City of Pleasanton for 21 years, retiring in October 2009. Prior to being appointed City Attorney in Pleasanton, I was the Assistant City Attorney for the City of Vallejo for 11 years. Since retirement, I have provided and provide limited legal services for Pleasanton on special projects and litigation and temporary legal services for the cities of Stockton, San Ramon and San Luis Obispo.

Currently, I serve as legal counsel for the Fremont Oversight Board. I would be pleased to serve as legal counsel for the Santa Cruz Oversight Board.

A description of my qualifications and relevant experience is attached. My hourly rate is \$175 and travel time is billed at half that rate. I am immediately available and I am not aware of any conflicts of interest.

Thank you and the Board for consideration of my interest.

A handwritten signature in black ink that reads "Michael H. Roush". The signature is written in a cursive, flowing style.

Michael H. Roush

Michael H. Roush
5571 Corte Sierra
Pleasanton, CA 94566
925-462-7525
925-876-7525 (cell)
mhrlegal@comcast.net

RESUME

A. Qualifications.

I serve as legal counsel for the City of Fremont Oversight Board. Until October 2009 when I retired, I was for 21 years the full time City Attorney of the City of Pleasanton. Prior to that, I was the Assistant City Attorney for the City of Vallejo for 11 years. Since retirement, I have provided limited legal services for Pleasanton on special projects and litigation and work part time for the City of Stockton as an Assistant City Attorney. With more than 35 years of working exclusively for public agencies, I have significant experience in all areas of public sector law. This resume will focus on those areas of my experience that are most relevant concerning legal services for the Oversight Board.

B. Identifying and Resolving Potential Conflicts Between Public Agency Representatives.

There is certainly the strong possibility of disagreements or conflicts between members of the Oversight Board concerning the direction it will provide to the Successor Agency as to winding down the former Redevelopment Agency. Should that occur, it will be extremely helpful to have legal counsel who is accustomed to public meetings where disagreements can and do occur and who can think creatively and provide sound legal advice in such an atmosphere. I have such a background.

During my tenure as City Attorney, frequently there were conflicts between council members concerning important policy issues facing the community. Although the overarching issues were often more political than legal, the council would often look to me for assistance to bridge those policy conflicts. For example, when the City proposed to build a municipal golf course in an area that could only be served by traffic utilizing roads that previously had not been heavily traveled, council members held strong and sometimes opposing views about what conditions concerning traffic should be imposed before the golf course could open. Working with the council and other staff members, I was able to craft conditions of approval that provided reasonable assurances to the residents that the City would work with other property owners and developers to mitigate the traffic impacts. This allowed the golf course to open when constructed (important to the community and to meet bond obligations) but likewise demonstrated the Council's commitment to the affected residents that their concerns were not only being heard but also addressed.

In a slightly different context, for nearly 20 years I served as the City's board member on a joint powers authority (the Bay Area Joint Powers Insurance Authority). That JPA consists of 18 different public entities and is a risk sharing pool whereby the JPA (from funding by the member agencies) provides coverage for tort liability damages and costs above each agency's self-retained limit. Accordingly, as a board member I had to make decisions, not always from the perspective of what might be best for Pleasanton but from the perspective of what was best for all members of the JPA. My point is that I have relevant experience in working in an environment where a member may need, from time to time, to put aside solely the interests of the agency that he or she represents and make decisions that affect the greater good, not always an easy task.

C. Relevant Public Law Experience

Much of the Oversight Board's work will be reviewing and providing direction to the Successor Agency on contracts. I routinely draft contracts and review the standard public works and other department contracts to make sure that all contracts meet the requirements of law. If selected as legal counsel, I expect to draft the more difficult resolutions and review and revise, as necessary, the more routine ones.

I work closely with the City Clerk in responding to Public Records Act requests and remind elected and appointed officials of their obligation to observe fastidiously the requirements of the Brown Act and the conflict of interests statutes.

D. Working Relationships/Role of Attorney

My working relationship with Board members, Board staff and members of the public has been one of informality and easy accessibility. As was my practice in Pleasanton, in Stockton it is rare when someone—whether an elected official, city staff or a member of the public—cannot simply stop by, without an appointment, to talk with me about a problem or discuss a situation. When meetings are necessary (and they often are), I maintain a very flexible calendar and go out of my way to accommodate the time demands and deadlines of others. Through the use of email (and by phone), I would be readily accessible by Board members and staff.

I consider myself an instrumental part of an agency's management team, taking an active role in writing or reviewing the difficult, often politically sensitive, staff reports, routinely meeting with interested stakeholders, discussing the item at length with the staff members involved in the item, and being prepared to offer input into the policy discussion when the issue is vetted at the staff level.

Notwithstanding the above, I understand very clearly that the attorney's role is not to make the ultimate policy decision but to implement fully what the governing body decides. During my long tenure as city attorney in Pleasanton, I served councils that over the years held vast differences of opinion concerning community issues. It is

safe to say that it is unlikely I would have continued to be city attorney for 21 years if a city council felt I had overstepped my role as legal advisor.

E. Licenses and Education

Admitted to the State Bar of California, December 1976 (SBN 072456)
J.D., Golden Gate University School of Law, June 1976
B.A., University of California, Berkeley, 1971

F. Professional References

Professional references are available upon request.

19925 Stevens Creek Blvd., Suite 100
Cupertino, CA 95014-2358
Phone: 408-833-6246
Fax: 408-540-1210
E-mail: garybaumlaw@gmail.com

Gary M. Baum, Esq.
Law Offices of Gary M. Baum



October 4, 2012

Sent via e-mail and first class mail to JGuevara@cityofsantacruz.com

J. Guevara c/o
Oversight Board of Successor Agency of the City of Santa Cruz
337 Locust Street
Santa Cruz, CA 95060

Subject: Representation of the Oversight Board of the Successor Agency of the City of Santa Cruz

Dear Mr. Guevara:

I am sending this letter to you in response to your request for a proposal to serve as Counsel to the City of Santa Cruz's Oversight Board. I believe that I am uniquely qualified to undertake this position based on my substantial public entity experience, which includes: currently serving as Oversight Board Counsel for four cities; serving for over ten years as City Attorney for Palo Alto and Morgan Hill; representing Planning Commissions as counsel for an additional eleven years; serving as Assistant or Deputy City Attorney in-house for various cities; and over 25 years of experience in areas of redevelopment, public and private real estate transactions and land use. Enclosed is my resume to provide you with my detailed background.

Since March of this year I have served as Oversight Board Counsel for the cities of San Mateo, San Carlos, Brisbane and East Palo Alto. I have worked through numerous challenging issues with these boards. As their sole counsel, I have recognized the need for absolute objectivity and a complete understanding of the ever-changing law in guiding these Oversight Boards. I have worked with a group of Oversight Board attorneys statewide conferring on a regular basis with the goal of interpreting AB 1484 similarly in order to provide consistent legal advice on AB 1484. By representing four cities I am able to reduce costs for generic research by splitting the cost amongst the four cities. The same approach would be used for Santa Cruz, where the cost of generic research could be shared among the five cities. Also, I utilize a law clerk for research where appropriate, again in the interests of reducing legal costs.

My recent work includes ongoing service as General Counsel for the Silicon Valley Regional Interoperability Authority, a Joint Powers Authority (JPA) consisting of 13 Santa Clara County cities and the County of Santa Clara itself. This JPA involves data and voice interoperability for public safety across the County. My role as General Counsel has involved balancing the needs and concerns of entities and serving as an honest broker. I see a strong parallel here to my

October 4, 2012

service as Counsel to the Oversight Board, which would also demand expertise in working with numerous entities (that hold potentially competing interests) with a goal of offering legal advice within a fair framework.

My past experiences as City Attorney and extensive involvement in the area of land use also demonstrate my qualification for this position. Having practiced law for 27 years with the past 21 years working as in-house counsel for cities in California, I retired in 2010 after serving for six years as the City Attorney for the City of Palo Alto. Prior to that position I was Assistant City Attorney of the City of Santa Clara and before that I served as City Attorney of Morgan Hill for 4 ½ years. My extensive land use experience includes serving as the primary legal counsel and attending all Planning Commission meetings as legal advisor for about 11 years in the cities of Santa Clara, Redondo Beach and Garden Grove. In law school, I was a teaching assistant for the Advanced Land Use Law class and have written and presented on land use topics numerous times. I have litigated land use cases initially before administrative boards, then trial courts and the Court of Appeal. My qualifications include a Land Use and Environmental Planning certificate from U.C. Davis. In addition, my work history involves much CEQA analysis and consultation on many Environmental Impact Reports.

My past experience also includes redevelopment work. Palo Alto did not have an active redevelopment agency (RDA); however I worked on a series of projects in prior cities. I directly negotiated or supervised numerous RDA projects and litigated in their defense as well. I am familiar with the AB1 X 26 law and litigation including the newest bill, AB 1484. My years of service to City Councils, Planning Commissions, Joint Powers Authorities and Civil Service Commissions provide me with the background to tackle the challenges raised by the Oversight Board.

Much of my work has involved negotiating real estate transactions. I personally negotiated the Development Agreement for the Rivermark project in Santa Clara. The project included 3,000 units of housing, a supermarket, school, shopping center and police facility. In addition, I have negotiated the sale, lease or purchase of numerous public properties, both large and small. Currently, on behalf of my client the City of Cupertino, I have been negotiating the Development Agreement with Apple for their 175-acre campus and, in addition, working on all land use entitlements as well as related real property transactions between Apple and the City of Cupertino.

My practice is limited solely to governmental entities. I believe that no conflicts of interest would inhibit my serving in this position, as I do not currently represent any governmental entity in the County of Santa Cruz. My current clients include the four Oversight Boards, the City of Cupertino, the City of Sunnyvale and the JPA. I do not represent any redevelopment agencies or successor agencies.

Letter to J. Guevara

Representation of the Oversight Board of the Successor Agency of the City of Santa Cruz

October 4, 2012

My billing rate is \$230 an hour. I have also included a list of references that you should feel free to contact. Thank you for considering me for this opportunity. I can be reached by cell at 650-799-7784.

Very truly yours,



Gary M. Baum

Enclosures

GARY M. BAUM
Law Offices of Gary M. Baum
19925 Stevens Creek Boulevard, Suite 100
Cupertino, CA 95014-2358
408-833-6246
garybaumlaw@gmail.com

**BAR
MEMBERSHIP**

Admitted to California State Bar and Federal Courts, December 1984.
Admitted to U.S. Supreme Court 2006.

EMPLOYMENT

Law Offices of Gary M. Baum. December 2010 to the present. Solo practice representing cities in labor, land use and environmental matters. General Counsel to the Silicon Valley Regional Interoperability Authority a 13 member Joint Powers Authority including 12 Cities and the County of Santa Clara. Oversight Board Counsel for the Cities of San Carlos, Brisbane, San Mateo and East Palo Alto.

City of Palo Alto – City Attorney. July 2004 to October 2010. Restructured City Attorney’s Office. Out-sourced litigation. Increased office productivity more than 100%, with fewer attorneys. Reduced open litigation by more than 25%. Contributed to the development of City’s innovative green building program. Managed office of ten people.

City of Santa Clara - Assistant City Attorney. April 1998 to June 2004. Counsel to Planning Commission. Developed environmental crimes prosecution program resulting in fines of \$1,000,000.

City of Morgan Hill - City Attorney. November 1993 to March 1998. First in-house City Attorney. Reduced open litigation from 32 cases to 6. Defended writ actions in trial court and Court of Appeal.

City of Redondo Beach - Assistant City Attorney. July 1992 to October 1993. Counsel to Planning Commission. Significant reductions made to outside counsel expenses.

City of Garden Grove - Acting City Attorney/Senior Deputy City Attorney. May 1989 to June 1992. Counsel to Planning Commission. Prosecuted code enforcement cases. Defended writ actions.

Ball, Hunt, Hart, Brown & Baerwitz, Long Beach - Associate. July 1986 to April 1989. Represented Cities, School Districts and Developers. Prosecuted and defended CEQA writ cases at trial and in Court of Appeal.

Rutan & Tucker, Costa Mesa – Associate. August 1985 to June 1986. Represented School Districts, Cities and Developers in Land Use and Employment Litigation.

University of Southern California Law School – Land Use Teaching Assistant. July 1983 to May 1984.

**PRO TEM/
ARBITRATION
BAR** Temporary Judge, Santa Clara Superior Court & Small Claims Court
Arbitrator/Mediator, Los Angeles County Bar Association.
Santa Clara County Bar Association: Member Board of Trustees 2003 - 2005.

ASSOCIATION Co-Chair Judiciary Committee 2003 – 2005.
Chair of Legal Services Committee 2010.
Volunteer Pro Bono Project 1995 – present.
Volunteer Domestic Violence Limited Scope Representation Project 2005 – present.
Board Member, Vice President - Pro Bono Project 2011 - present.

**PROFESSIONAL
ORGANIZATIONS** Co-President Bay Area City Attorney's Association. 2008 - 2010

AWARDS Access to Justice Award by the Pro Bono Project 2009.
Pro Bono Attorney of the Year Santa Clara County Bar Association 2007.
Northern California "Super Lawyer" 2005.

PUBLICATIONS *Land Use Controls: Another Approach to Reality*, USC Cites, 1984.
League of California Cities: *Billing Protocol*, The Directory of Municipal Law Practitioners, October 1995.
California District Attorney's Association Environmental Prosecution. Manual: *City Attorney Prosecution of Environmental Crimes*, February 2004, Updated September 2009.

PRESENTATIONS League of California Cities: *Litigation for the City Attorney*.
Bay Area City Attorney Association: *Prosecuting Environmental Crimes*.
International Municipal Lawyer's Association: *The Role of the City Attorney; CEQA/NEPA and Climate Change; R.L.U.I.P.A.*
Santa Clara County Bar Association: *Prosecution of Environmental Crimes*.
Los Angeles County Bar Association: *New Environmental Legislation*.
ALI-ABA: *Defending CEQA Lawsuits*.

LAW SCHOOL **University of Southern California Law School**
Juris Doctor Degree, May 1984.
Top 1/3 of Class.

COLLEGE **Whittier College**
Bachelor of Arts, May 1981.
Major in Biology & Political Science completed in three years.
Top 20% of Class.

University of California at Davis
Certificate in Land Use & Environmental Planning, June 1997.

University of California at Santa Cruz
Certificate in Hazardous Materials Management, November 2000.

List of References for Law Offices of Gary M. Baum

Jim Porter
Chair Oversight Board City of San Carlos
Member Oversight Board City of Brisbane
Public Works Director, County of San Mateo
650-599-1421

Donald Larkin
Deputy County Counsel
County of Santa Clara
408-299-6940

Jason Baker
Chair Silicon Valley Regional Interoperability Authority ("SVRIA")
City of Campbell City Council Member
408-839-6669

Sid Espinosa
Council Member (Former Mayor)
City of Palo Alto
408-373-8262

David Kahn
City Attorney Sunnyvale (Retired)
Renne, Sloan Holtzman & Sakai
415-678-3800

Janie Quinn
City Attorney
City of Mountain View
650-903-6496

Carol Korade
City Attorney
City of Cupertino
408-777-3402

Ron Garratt
Assistant City Manager (retired)
City of Santa Clara
408-615-2212