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MEMORANDUM

DATE: November 29, 2012

To: Oakland Oversight Board

FROM: Laurie Gustafson, Board Counsel

RE: Report on Legal Fees for November, 2012 – Item #6

As of November 29, 2012, our legal fees for November 2012 are about \$7,400. The work relates to the following matters: review and analysis of the Accountant's revised Low and Moderate Income Housing Fund Review prepared based on the Oversight Board's requests; review and analysis of documentation received from the Successor Agency regarding items appearing on the Review; discussions and correspondence with the Successor Agency staff regarding the Review; preparation of the Oversight Board Resolution approving the Review; monitoring of the Department of Finance correspondence and directives, including with regard to the proposed Foothill/Seminary property disposition; preparation of the Amended and Restated Oversight Board Resolution regarding the proposed disposition of the Foothill/Seminary properties; review and analysis of correspondence to the Department of Finance from the various taxing entities with regard to the disposition of the Foothill/Seminary properties; and preparing for and attending Board Meetings. We anticipate some additional work in November to prepare for the December 3, 2012 Oversight Board meeting, including analysis of the proposal by the Successor Agency for the disposition of the former Oakland Army Base (Item #4 on the Agenda for the December 3, 2012 Meeting).

On or before December 15, 2012, the Successor Agency Accountants will provide to the Oversight Board the All Other Funds Due Diligence Review. The Oversight Board must approve that Review by January 15, 2013, after a public hearing on the Review. Similarly to what we provided with regard to the Low and Moderate Income Housing Fund Review, we anticipate engaging in the following work with regard to the All Other Funds Due Diligence Review:

1. Ask the Successor Agency to provide us with copies of all lists provided to the accountants as required by the DOF Procedures. Work with the Successor Agency to make sure

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we have quick access, as needed, to all information used to evidence any enforceable obligation or any legal restriction on the use of Successor Agency funds or other assets.

- 2. Review and analyze the All Other Funds Due Diligence Review as soon as it is delivered to the Board, and in time for the public comment session, including a comparison of items on the Due Diligence Review with items on approved ROPS.
- 3. From the review of the All Other Funds Due Diligence Review identify any disagreements between the Successor Agency and the accountants on enforceable obligations and legal restrictions of funds or assets. Once identified, research background materials for each item and be prepared to offer advice to the Board on such items. Engage Successor Agency staff and accounting staff as necessary to aid in quickly making these determinations.
- 4. As the All Other Funds Due Diligence Review is reviewed, compare it with the DOF Procedures for the purpose of determining, on a general basis, that all DOF required procedures have been followed and all required information determined and provided.

In addition, it appears there will be two Oversight Board meetings in December. Although we do not anticipate that we will need to provide the same advice with regard to "procedures" as we did with the Low and Moderate Income Housing Fund Review, the All Other Funds Due Diligence Review will be much larger. We therefore estimate a cost of approximately \$15,000 for the work that will take place over the course of December through January 15, 2013. Of course, as always, we will look for all ways to keep the costs as low as possible while still providing the information and advice the Board needs to fulfill its fiduciary duties.