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CITY OF OAKLAND

MEMORANDUM

TO: HONORABLE MAYOR & CITY COUNCIL

FROM: Deanna Santana

SUBJECT: Due Diligence Review Boomerang Funds

DATE: June 4, 2013

INFORMATION

As previously communicated, the Oakland Redevelopment Successor Agency remitted to the County $32.5 million for distribution to the taxing entities pursuant to the final amount demanded by the California Department of Finance following the Due Diligence Review (DDR) of available non-housing cash assets. The City, as a taxing entity, received approximately 29 percent of the $32.5 million in "boomerang" funds, totaling **$9.5 million**. This is one-time revenue.

Staff and the City Attorney's Office are currently analyzing legal and fiscal issues related to the dissolution of redevelopment as a result of the outcome of the DDR process, and will bring a full report for discussion to the June 18, 2013, closed session. It is possible that all or a portion of the $9.5 million would be needed to honor third party contracts already authorized by the City until such decisions to reprogram other possible dollars are appropriately assigned. Until such analysis and discussion has taken place, consideration for the $9.5 million should be placed on hold and set aside until the General Fund impacts have been mitigated.

On a related note, ORSA received its "Finding of Completion" on May 29, 2013.

Respectfully submitted,

_____/s/_____

DEANNA J. SANTANA
City Administrator