

## OVERSIGHT BOARD RESOLUTION NO. 2012-03

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COSTA MESA REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S PROPOSED ADMINISTRATIVE BUDGETS PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j), AND AUTHORIZING THE SUCCESSOR AGENCY TO ENTER INTO AN AGREEMENT WITH THE CITY OF COSTA MESA FOR ADMINISTRATIVE SUPPORT PURSUANT TO HEALTH AND SAFETY CODE SECTION 34171; AND MAKING OTHER FINDINGS IN CONNECTION THEREWITH**

**WHEREAS**, the Costa Mesa Redevelopment Agency ("Agency") was established as a redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* ("CRL"), and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Costa Mesa ("City"); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which laws cause the dissolution and wind down of all redevelopment agencies ("Dissolution Act"); and

**WHEREAS**, on December 29, 2011, in the petition *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld the Dissolution Act and thereby all redevelopment agencies in California were dissolved as of and on February 1, 2012 under the dates in the Dissolution Act that were reformed and extended thereby; and

**WHEREAS**, the Agency is now a dissolved redevelopment agency pursuant to the Dissolution Act; and

**WHEREAS**, by a resolution considered and approved by the City Council at an open public meeting the City chose to become and serve as the "Successor Agency" to the dissolved Agency under the Dissolution Act; and

**WHEREAS**, as of and on and after February 1, 2012, the City serves and acts as the Successor Agency and is performing its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the Agency and otherwise unwind the Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); and

**WHEREAS**, pursuant to Section 34179 the Successor Agency's Oversight Board has been formed and the initial meeting has occurred on April 19, 2012; and

**WHEREAS**, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and



**WHEREAS**, Section 34177(j) requires the Successor Agency to prepare a proposed administrative budget covering the period from February 1, 2012 through June 30, 2012 and submit it to the Oversight Board for approval and for each six-month period and fiscal year thereafter; and

**WHEREAS**, pursuant to Section 34177(j), the Successor Agency's "Administrative Budget" is to include all of the following: (a) estimated amounts of the Successor Agency's administrative costs for the up-coming six month fiscal period; (b) the proposed sources of payment for the costs identified in (a); and (c) proposals for arrangements for administrative and operations services provided by the city serving as Successor Agency; and

**WHEREAS**, the Successor Agency's proposed Administrative Budgets for the period February 1, 2012 through June 30, 2012 and for the period July 1, 2012 through December 31, 2012 have been submitted to the Oversight Board for its review and approval; and

**WHEREAS**, the Administrative Budgets, as approved by the Oversight Board, will be provided to the County of Orange Auditor Controller pursuant to Section 34177(k) so that the Successor Agency's estimated administrative costs in the approved Administrative Budgets will be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund for each upcoming fiscal period; and

**WHEREAS**, pursuant to Section 34180(h) the Successor Agency may request authorization from the Oversight Board for the Successor Agency and the City of Costa Mesa to enter into an agreement to ensure provision of the necessary services from the City to support the Successor Agency's responsibilities in winding down the activities of the former community redevelopment agency, including the estimated costs set forth in the Administrative Budget; and

**WHEREAS**, the Successor Agency desires to enter into that certain "*Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan*" ("Costs Reimbursement Agreement"), which agreement will authorize the reimbursement of costs incurred by the City to support Successor Agency operations and obligations; and

**WHEREAS**, the Oversight Board desires to approve the Successor Agency's proposed Administrative Budget and to authorize the Successor Agency to enter into the Costs Reimbursement Agreement; and

**WHEREAS**, pursuant to the Dissolution Act, the actions of the Oversight Board, including those approved by this Resolution, do not become effective for three (3) business days pending any request for review by the DOF, and if the DOF requests review hereof, DOF will have 10 days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by DOF.

**NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COSTA MESA REDEVELOPMENT AGENCY:**

**Section 1.** The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

**Section 2.** Pursuant to the Dissolution Act, the Oversight Board approves the Successor Agency's proposed Administrative Budgets, attached hereto as Attachment No. 1 and incorporated by this reference.

**Section 3.** Pursuant to the Dissolution Act, the Oversight Board authorizes the Successor Agency's to enter into *Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan*, substantially in the form of Attachment No. 2 and incorporated by this reference.


**Section 4.** The Oversight Board authorizes the Successor Agency to transmit the Administrative Budgets and Costs Reimbursement Agreement, when/if approved and entered into between the City and the Successor Agency, to the County Auditor-Controller ("CAC"), the State Department of Finance ("DOF"), and the State Controller's Office ("SCO").

**Section 5.** The Assistant Finance Director of the Successor Agency or an authorized designee is directed to post the Administrative Budget and Costs Reimbursement Agreement (when/if entered into) on the City/Successor Agency website.

**Section 6.** This Resolution shall be effective after transmittal of this Resolution with the Administrative Budgets and Costs Reimbursement Agreement attached to the DOF and the expiration of three (3) business days pending a request for review by the DOF within the time periods set forth in the Dissolution Act; in this regard, if the DOF requests review hereof it will have 10 days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, will not be effective until approved by DOF.


**Section 7.** The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

**APPROVED AND ADOPTED** this 19th day of April 2012.

  
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Chair, Oversight Board of the Successor Agency  
to the Costa Mesa Redevelopment Agency

(SEAL)

ATTEST:

  
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Martha Rosales, Secretary  
Oversight Board of the Successor Agency  
to the Costa Mesa Redevelopment Agency



STATE OF CALIFORNIA            )  
COUNTY OF ORANGE            ) ss.  
CITY OF COSTA MESA            )

I, Martha Rosales, Secretary of the Oversight Board of the Successor Agency to the Costa Mesa Redevelopment Agency, hereby certify that the foregoing Resolution No. 2012-03 was duly adopted by the Oversight Board at a special meeting held on the 19th day of April 2012, and that it was so adopted by the following vote:

AYES:           Members Righeimer, Trader, Hatch, Francis, Baker, Dunn

NOES:           None

ABSENT:        Member Monahan



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Martha Rosales, Secretary  
Oversight Board of the Successor Agency to the  
Costa Mesa Redevelopment Agency

(SEAL)