

OVERSIGHT BOARD RESOLUTION NO. 2012-11

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COSTA MESA REDEVELOPMENT AGENCY RECEIVING FROM THE SUCCESSOR AGENCY, AND CONVENING A PUBLIC COMMENT SESSION OF, THE INDEPENDENT ACCOUNTANT'S REPORT RE THE NON-HOUSING DUE DILIGENCE REVIEW CONDUCTED PURSUANT TO SECTION 34179.5; DIRECTING SUCCESSOR AGENCY STAFF TO MAKE SUCH REPORT AVAILABLE TO THE PUBLIC FOR REVIEW AND COMMENT FOR NOT LESS THAN FIVE (5) BUSINESS DAYS HEREAFTER; DIRECTING SUCCESSOR AGENCY STAFF TO RECEIVE FROM THE COUNTY AUDITOR-CONTROLLER (CAC) THE RESULTS/OPINIONS, IF ANY, OFFERED BY THE CAC OF SUCH REPORT AND DIRECTING TRANSMITTAL THEREOF TO THE OVERSIGHT BOARD FOR CONSIDERATION WITH PUBLIC'S COMMENTS, IF ANY; AND, DIRECTING SUCCESSOR AGENCY STAFF THAT AFTER SUCH REVIEWS AND PRIOR TO JANUARY 15, 2013 THAT THE REPORT BE PRESENTED AGAIN TO THE OVERSIGHT BOARD FOR FINAL REVIEW AND ACTION TAKING INTO CONSIDERATION THE PUBLIC COMMENTS AND THE RESULTS/OPINIONS, IF ANY, OFFERED BY THE CAC, ALL PURSUANT TO SECTIONS 34179.5 AND 34179.6 OF THE DISSOLUTION ACT

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 chaptered and effective on June 27, 2011 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 chaptered and effective on June 27, 2012 (together, the "Dissolution Act"); and

WHEREAS, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Act and as a separate legal entity the City serves as the Successor Agency to the Costa Mesa Redevelopment Agency ("Successor Agency"); and

WHEREAS, the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds 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, by Resolution the Oversight Board previously approved the first, second and third ROPS in the form attached to the resolution approving each ROPS; and

WHEREAS, no further action is required by the Oversight Board as to the first, second and third ROPS in connection with its actions on the non-housing due diligence review report; and

WHEREAS, Section 34179.5 requires the Successor Agency to employ a licensed accountant approved by the Orange County Auditor-Controller to perform a due diligence review and report on the amount of funds transferred from the former Costa Mesa Redevelopment Agency; and

WHEREAS, on July 19, 2012, the Orange County Auditor-Controller provided written approval to Successor Agency staff of their selection of White Nelson Diehl Evans's the licensed accountant to perform the due diligence review for the Successor Agency; and

WHEREAS, on August 30, 2012, the Department of Finance posted on its official website the agreed-upon procedures to conduct the due diligence reviews; and

WHEREAS, in accordance with the provisions of the agreed-upon procedures and provisions of Section 34179.5, White Nelson Diehl Evans has completed the non-housing due diligence review and report a copy of which is attached hereto and incorporated by this reference; and

WHEREAS, pursuant to Section 34179(h) as amended by Assembly Bill 1484 effective June 27, 2012, written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. Generally, an oversight board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review provided however the subject report will be considered and acted on pursuant to the process and timing of Sections 34179.5 and 34179.6.

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 (a) receives the Non-Housing Due Diligence Review Report as submitted herewith as Attachment 1, (b) convenes a public comment session on such report, directs Successor Agency staff to make such report available to the public for review and comment for not less than five (5) business days hereafter, (c) directs Successor Agency staff to receive from the County Auditor-Controller (CAC) the results/opinions, if any, offered from the CAC's review of such report, (d) directs transmittal thereof back to this Oversight Board for consideration with the public's comments, if any, (e) directs Successor Agency staff that after such reviews and prior to January 15, 2013 that the report be presented again to this

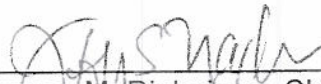
Oversight Board for final review and action taking into consideration the public comments and the results/opinions, if any, offered by the CAC, all pursuant to sections 34179.5 and 34179.6 of the Dissolution Act.

Section 3. The City's Assistant Finance Director or her authorized designee is directed to post this Resolution on the Successor Agency website pursuant to the Dissolution Act.

Section 4. Pursuant to Section 34179(h) as amended by Assembly Bill 1484 effective June 27, 2012, written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. Generally, an oversight board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review provided however the subject report will be considered and acted on pursuant to the process and timing of Sections 34179.5 and 34179.6.

Section 5. The Secretary of the Oversight Board shall certify to the adoption of this Resolution.


APPROVED AND ADOPTED this 5th day of December 2012.



James M. Righeimer, Chair
Oversight Board of the Successor Agency to the
Costa Mesa Redevelopment Agency

(SEAL)

ATTEST:



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 Oversight Board Resolution No. 2012-11 was duly adopted by the Oversight Board at a Special Meeting held on the 5th day of December 2012, and that it was so adopted by the following vote:

**AYES: VICE-CHAIR JEFF TRADER, BOARD MEMBERS TOM HATCH, RICK FRANCIS
 AND DAN BAKER**

NOES: NONE

ABSENT: CHAIR JIM RIGHEIMER, BOARD MEMBERS ANDY DUNN, GARY MONAHAN



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

(SEAL)