



# **CITY COUNCIL AGENDA REPORT**

---

MEETING DATE: MARCH 6, 2012

ITEM NUMBER: \_\_\_\_\_

**SUBJECT: MAYOR'S APPOINTMENTS TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COSTA MESA REDEVELOPMENT AGENCY**

**DATE: FEBRUARY 29, 2012**

**FROM: OFFICE OF THE CHIEF EXECUTIVE OFFICER**

**PRESENTATION BY: THOMAS R. HATCH, CHIEF EXECUTIVE OFFICER**

**FOR FURTHER INFORMATION CONTACT: THOMAS R. HATCH @ (714) 754-5328**

---

## **RECOMMENDED ACTION:**

Adopt City Council Resolution Affirming the Mayor's Selection and Appointment of Two Members to the Oversight Board Pursuant to California Health and Safety Code, Division 24, Part 1.85, Section 34179 (Attachment 1).

## **DISCUSSION:**

Assembly Bill x1 26 ("Dissolution Act") requires the creation of a seven-member Oversight Board to supervise the activities of the Successor Agency to the Costa Mesa Redevelopment Agency ("Agency") in connection with winding down the affairs of the former Redevelopment Agency. Membership on the Oversight Board is comprised of the following appointments:

- Two members appointed by the County Board of Supervisors;
- One member appointed by the largest special district, by property tax share, with territory in the jurisdiction of the former Agency and who was previously eligible to receive tax increment from the former Agency;
- One member appointed by County Superintendent of Schools/Board of Education;
- One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county;
- One member appointed by the Mayor; and
- One member appointed also by the Mayor from the recognized employee organization representing former redevelopment agency employees.

As noted, two members of the seven-member Oversight Board are to be appointed by the Mayor. One of these appointments is selected by the Mayor at his discretion. The second member is representative of a former employee of the Agency. The Mayor has recommended to staff and by this agenda item appoints of the following members to the Oversight Board: (1) the Mayor appoints himself as one member; and (2) Daniel K. Baker as the former Agency employee member.

As we are aware, the Dissolution Act eliminated redevelopment agencies throughout the State effective February 1, 2012. Pursuant to Section 34173 of the Dissolution Act, the City of Costa Mesa elected to serve and act as the Successor Agency to the former Agency to wind down the affairs of the Agency. Under the Dissolution Act, the Successor Agency's activities are subject to review and approval by the Oversight Board; and, the Oversight Board is charged with supervising the activities of the Successor Agency. The Oversight Board has a fiduciary responsibility to holders of enforceable obligations and to the affected taxing entities that benefit from distribution of the assets of the former Agency. The Oversight Board is authorized to direct the Successor Agency regarding contracts, obligations, and other arrangements between the former Agency and third parties, including whether enforceable obligation(s) should be terminated or renegotiated, to reduce the Successor Agency's liabilities and to increase net revenues for distribution to the affected taxing entities. The actions of the Oversight Board are in turn to be reported to and overseen by the Department of Finance and the State Controller's Office, and the County Auditor-Controller. While the Oversight Board may be formed as late as May 1, 2012, the members should be appointed as soon as practicable so they can achieve a quorum of four or more members of the total seven, schedule their first meeting, and begin to carry out their responsibilities under the Dissolution Act, including without limitation review and approval of the initial ROPS, administrative budget, and all subsequent ROPS and administrative budgets of the Successor Agency.

**ALTERNATIVES CONSIDERED:**

An alternative would be for the Mayor to appoint other persons to serve on the Oversight Board to the Successor Agency to the Costa Mesa Redevelopment Agency.

**FISCAL REVIEW:**

There is no fiscal impact to appointment of members to the Oversight Board. It is noted that the Dissolution Act provides that members of the Oversight Board serve without compensation or reimbursement for expenses and the Dissolution Act does not expressly include provisions to fund the administration of the Oversight Board.

**LEGAL REVIEW:**

The City Attorney and Special Council have reviewed this agenda report.

**CONCLUSION:**

The Mayor appoints himself and Daniel K. Baker to serve on the Oversight Board to the Successor Agency to the Costa Mesa Redevelopment Agency. The attached City Council Resolution makes and affirms such appointments

---

THOMAS R. HATCH  
Chief Executive Officer

---

THOMAS P. DUARTE  
City Attorney

## RESOLUTION NO. 12-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AFFIRMING THE MAYOR'S SELECTION AND APPOINTMENT OF TWO MEMBERS TO THE OVERSIGHT BOARD PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85, SECTION 34179.

WHEREAS, the Costa Mesa Redevelopment Agency, City of Costa Mesa, California ("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 ("Supreme Court Decision"); 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 will perform 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 formed thereunder; and

WHEREAS, Section 34179 of the Dissolution Act provides that each successor agency shall have an oversight board composed of seven members, of which one of the seven members is appointed by Mayor of the City and a second member is also appointed by the Mayor representing the employees of the former Agency from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the Successor Agency at that time; and

WHEREAS, pursuant to Section 34179 the Oversight Board shall have 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;

WHEREAS, the Mayor desires to make two appointments and by this Resolution appoints the following members to the Oversight Board: (1) Mayor appoints himself as one member; and (2) Daniel K. Baker as the former Agency employee member; and

WHEREAS, by this Resolution the City Council intends to affirm the Mayor's appointments; and

WHEREAS, once appointed the seven members of the Oversight Board will elect one of their members as the chairperson and will report the name of the chairperson and other members to the Department of Finance on or before May 1, 2012; and

WHEREAS, these appointments will be posted on the City's Internet Web site relating to the Successor Agency; and

WHEREAS, pursuant to Section 34179 each member of an oversight board shall serve at the pleasure of the entity that appointed such member.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COSTA MESA:

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

The Mayor hereby appoints to the Oversight the following two members: (a) himself for one appointment, and (b) Daniel K. Baker as the former Agency employee member.

The City Council hereby affirms the Mayor's appointments of two members to the Oversight Board pursuant to Section 34179.

The Chief Executive Officer or his authorized designee shall cause this Resolution to be forwarded to the following: Successor Agency, Oversight Board, County Auditor-Controller, Department of Finance, and State Controller's Office.

The Chief Executive Officer or his authorized designee shall cause information about the Mayor's appointments to be posted on the City's website relating to Successor Agency notices.

This Resolution shall be effective immediately upon adoption.

The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED this 6<sup>th</sup> day of March, 2012.

---

Gary Monahan, Mayor

ATTEST:

APPROVED AS TO FORM:

---

Julie Folcik, City Clerk

---

Thomas Duarte, City Attorney

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

I, JULIE FOLCIK, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 12-\_\_\_ and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 6<sup>th</sup> day of March, 2012, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 7<sup>th</sup> day of March, 2012.

\_\_\_\_\_  
JULIE FOLCIK, CITY CLERK

(SEAL)