

RESOLUTION NO. OB 2014-003

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE LA MESA COMMUNITY REDEVELOPMENT AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE FISCAL YEAR 2014-2015 WHICH INCLUDES THE 50% PORTION OF THE ADMINISTRATIVE BUDGET FOR THE 6-MONTH PERIOD FROM JULY 1, 2014 THROUGH DECEMBER 31, 2014 AND APPROVING RELATED ACTIONS

WHEREAS, the La Mesa Community Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of La Mesa ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code ("H&S Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the H&S Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-005 on January 10, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

WHEREAS, H&S Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to H&S Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Code Sections 34179 through 34181 of AB 26; and

WHEREAS, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484. On October 13, 2013, the Legislature passed and the Governor signed Senate Bill No. 341 ("SB 341"), which further amended certain provisions of AB 26 as amended by AB 1484 and AB 1585 (AB 26, AB 1484, AB 1585, and SB 341 are

collectively referred to herein as the "Dissolution Act"); and

WHEREAS, on July 16, 2013, the State Department of Finance ("Department of Finance") issued a Finding of Completion to the Successor Agency pursuant to H&S Code Section 34179.7 of the Dissolution Act; and

WHEREAS, H&S Code Section 34177(j) of the Dissolution Act requires the Successor Agency to prepare an administrative budget for each 6-month fiscal period and submit the administrative budget to the Oversight Board for approval. The administrative budget shall include all of the following: (i) estimated amounts for Successor Agency administrative costs for the upcoming 6-month fiscal period; (ii) proposed sources of payment for Successor Agency administrative costs; and (iii) proposals for arrangements for administrative and operations services provided by the City or other entity; and

WHEREAS, H&S Code Section 34177(k) of the Dissolution Act requires the Successor Agency to provide to the San Diego County Auditor-Controller ("County Auditor-Controller") for each 6-month fiscal period the administrative cost estimates from its approved administrative budget that are to be paid from property tax revenues (i.e. former tax increment revenues) deposited in the County's Redevelopment Property Tax Trust Fund ("RPTTF") established for the Successor Agency; and

WHEREAS, the administrative budget for the Fiscal Year 2014-2015 which includes the 50% portion of the administrative budget for the 6-month period from July 1, 2014 through December 31, 2014 ("Administrative Budget") was approved by the Successor Agency at its meeting conducted on February 11, 2014; and

WHEREAS, the Administrative Budget is presented to the Oversight Board at this meeting for review and approval; and

WHEREAS, the Administrative Budget has been prepared in accordance with H&S Code Section 34177(j) of the Dissolution Act and is consistent with the requirements of the H&S Code and other applicable law. As indicated in the Administrative Budget, the Successor Agency does not directly employ its own staff but relies on the employees and staff members of the City to perform its functions and operations required by the Dissolution Act; and

WHEREAS, the proposed source of payment of the costs set forth in the Administrative Budget is property taxes from the County's RPTTF established for the Successor Agency, with \$125,000 of said costs to be incurred and paid during the 6-month period from July 1, 2014 through December 31, 2014. These costs in the amount of \$125,000 are listed as Item #15 on the proposed Recognized Obligation Payment Schedule for the 6-month period from July 1, 2014 through December 31, 2014 ("ROPS 14-15A") for funding from RPTTF, which ROPS 14-15A is proposed to be considered by the Oversight Board at this same meeting of the Oversight Board; and

WHEREAS, in accordance with H&S Code Section 34180(j) of the Dissolution Act, the Successor Agency submitted a copy of the Administrative Budget to the San Diego County Administrative Officer, the County Auditor-Controller, and the Department of Finance at the same time that the Successor Agency submitted the Administrative Budget to the Oversight Board for approval; and

WHEREAS, pursuant to H&S Code Section 34179(h) of the Dissolution Act, the Successor Agency is required to provide written notice and information about all actions taken by the Oversight Board to the Department of Finance by electronic means and in the manner of the Department of Finance's choosing; and

WHEREAS, in furtherance of Part 1.85 of the Dissolution Act, a copy of the Administrative Budget as approved by the Oversight Board will be submitted to the County Auditor-Controller and both the State Controller's Office and the Department of Finance and will be posted on the Successor Agency's internet website; and

WHEREAS, pursuant to H&S Code Section 34183(a)(2) of the Dissolution Act, the County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on June 1, 2014 for payments to be made toward recognized obligations listed on the approved ROPS 14-15A and for the administrative cost estimates from its approved Administrative Budget; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the La Mesa Community Redevelopment Agency does hereby resolve as follows:

Section 1. The Oversight Board hereby determines that the foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the Successor Agency's Administrative Budget for the Fiscal Year 2014-2015 which includes the 50% portion of the Administrative Budget for the 6-month period from July 1, 2014 through December 31, 2014, in substantially the form presented to the Oversight Board at this meeting.

Section 3. The Oversight Board hereby approves property taxes from the County's Redevelopment Property Tax Trust Fund ("RPTTF") established for the Successor Agency as the source of payment of the costs set forth in the Administrative Budget, with \$125,000 of said costs to be incurred and paid during the 6-month period from July 1, 2014 through December 31, 2014.

Section 4. The Oversight Board hereby authorizes and directs the Executive Director, or designee, of the Successor Agency to: (i) submit the Administrative Budget, as approved by the Oversight Board, and written notice of the Oversight Board's approval of the Administrative Budget, to the Department of Finance electronically pursuant to H&S Code Section 34179(h) of the Dissolution Act; (ii) submit a copy of the Administrative Budget, as approved by the Oversight Board, to the County Auditor-Controller and the State Controller's Office; (iii) post the Administrative Budget, as approved by the Oversight Board, on the Successor Agency's internet website; (iv) submit to the County Auditor-Controller the administrative cost estimates from the Administrative Budget that are to be paid from property tax revenues deposited in the County's RPTTF established for the Successor Agency, as approved by the Oversight Board, which cost estimates are \$125,000 to be incurred and paid during the 6-month period from July 1, 2014 through December 31, 2014; and (v) take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Oversight Board.

Section 5. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. This Resolution shall take effect immediately upon its adoption and is subject to review by the Department of Finance in accordance with H&S Code Section 34179(h) of the Dissolution Act.

PASSED AND ADOPTED at a duly noticed public meeting of the Oversight Board of the Successor Agency to the La Mesa Community Redevelopment Agency held the 25th of February 2014, by the following vote, to wit:

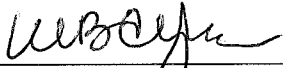
AYES: Adams, Ayres, Fazio, Gonzales, Patterson, Rearic

NOES: none

ABSENT: South

CERTIFICATE OF SECRETARY

I, WILLIAM B. CHOPYK, Secretary of the Oversight Board of the Successor Agency to the La Mesa Community Redevelopment Agency, do hereby certify the foregoing to be a true and exact copy of Resolution No. OB 2014-003, duly passed and adopted by the Oversight Board of the Successor Agency to the La Mesa Community Redevelopment Agency on the date and by the vote therein recited.



WILLIAM B. CHOPYK
Secretary
Oversight Board of the Successor Agency to the
La Mesa Community Redevelopment Agency

Feb. 25, 2014

Date