

RESOLUTION NO. 2012-08 OB

**RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY
OF THE CITY OF EUREKA TAKING SPECIFIED ACTIONS WITH
RESPECT TO THE HOUSING FUND DUE DILIGENCE REVIEW
PURSUANT TO HEALTH AND SAFETY CODE SECTIONS
34179.5 AND 34179.6**

WHEREAS, the California State Legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, pursuant to Health and Safety Code Section 34173, the City Council of the City of Eureka (the "City Council") declared that the City of Eureka, a California municipal corporation (the "City"), would act as successor agency (the "Successor Agency") for the dissolved Redevelopment Agency of the City of Eureka (the "Dissolved RDA") effective February 1, 2012; and

WHEREAS, pursuant to AB 1484 ("AB 1484"), enacted June 27, 2012 to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the "Oversight Board") with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, pursuant to Health and Safety Code Section 34179.5 (as added by AB 1484) the Successor Agency is required to employ a licensed accountant, approved by the County Auditor- Controller for the County of Humboldt (the "Auditor-Controller"), to conduct a due diligence review to determine the unobligated balances of the low and moderate income housing fund (the "Housing Fund") held by the Successor Agency available for transfer to taxing entities as required under AB 1484 and the Dissolution Act; and

WHEREAS, the Successor Agency hired an accountant, approved by the Auditor-Controller, to prepare the due diligence review for the Housing Fund (the "Housing Fund Due Diligence Review") in conformance with Health and Safety Code Section 34179.5; and

WHEREAS, under the Dissolution Act, the Housing Fund Due Diligence Review has been submitted by the Successor Agency to the Oversight Board for the Oversight Board's approval and, in accordance with Health and Safety Code Section 34179.6, the Successor Agency also submitted the Housing Fund Due Diligence Review to the Humboldt County Administrative Officer (the "County Administrator"), the Auditor-Controller, the State Controller (the "Controller") and the State Department of Finance (the "DOF"), along with copies of the Successor Agency's recognized obligation payment schedules for the Fiscal Year 2012-13, as approved by the Oversight Board (the "FY 2012-13 ROPS's"); and

WHEREAS, the Oversight Board must review, approve and transmit the Housing Fund Due Diligence Review by October 15, 2012.

WHEREAS, the accompanying Housing Fund Due Diligence Review and the staff report provides supporting information upon which the actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds and determines that the foregoing recitals are true and correct, and together with the following documents and information form the basis for the approvals, authorizations, findings, and determinations set forth in this Resolution: (1) the Housing Fund Due Diligence Review; (2) the FY 2012-13 ROPS's; (3) information provided by the Successor Agency staff; (4) information provided by the public at the public comment session held by the Oversight Board on October 8, 2012 as required under Health and Safety Code Section 34179.6(b).

BE IT FURTHER RESOLVED that in accordance with the Dissolution Act and AB 1484, the Oversight Board hereby approves the Housing Fund Due Diligence Review in the form on file with the Oversight Board's designated communication official.

BE IT FURTHER RESOLVED that the Oversight Board hereby authorizes the Successor Agency to retain assets or funds, that are not cash or cash equivalent, under Health and Safety Code Section 34179.5(c)(5)(C) in the amount of \$9,792,498 from the funding source and for the purposes identified in Attachment No. 1, incorporated herein by this reference.

BE IT FURTHER RESOLVED that the Oversight Board hereby authorizes the Successor Agency to retain assets or funds, including any current balances needed to satisfy obligations placed on the FY 2012-13 ROPS's, under Health and Safety Code Section 34179.5(c)(5)(E) in the amount of \$317,848 from the funding source and for the purposes identified in Attachment No. 2, incorporated herein by this reference.

BE IT FURTHER RESOLVED that the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Section 34179.5 and as set forth in the Housing Fund Due Diligence Review is \$336,049 (the "Housing Fund Due Diligence Review Payment"), which amount, subject to the DOF's approval of the Housing Fund Due Diligence Review, shall be transmitted to the Auditor-Controller for allocation to affected taxing entities pursuant to the terms of AB 1484 and the Dissolution Act.

BE IT FURTHER RESOLVED, that the Oversight Board hereby authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act and AB 1484 to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the Housing Fund Due Diligence Review and to take any other actions necessary to ensure the validity of the Housing Fund Due Diligence Review and the validity of the retention of the funds specified to be retained by this Resolution. The Oversight Board acknowledges and agrees that the Successor Agency may invoke the meet and confer process identified in Health and Safety Code Section 34179.6(e) to resolve any disputes regarding the amounts or sources of funds identified by the DOF as eligible to be retained. In addition, the Oversight Board authorizes and directs the Successor Agency staff to make the Housing Fund Due Diligence Review Payment as required under Health and Safety Code Section 34179.6 and pursuant to the terms of this Resolution.

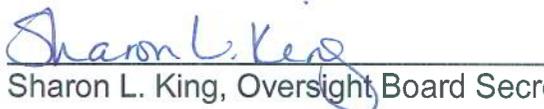
BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

The above and foregoing Resolution was duly and regularly passed and adopted at a meeting by the Oversight Board for the Successor Agency of the Redevelopment Agency of the City of Eureka at a regular meeting thereof held on the 15th day of October, 2012, by the following vote:

AYES:	MADSEN, TYSON, LINDSAY, BASS, HANGER
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	RUPP, SMITH


Lance Madsen, Chairperson

ATTEST:


Sharon L. King, Oversight Board Secretary