

HUNTINGTON BEACH OVERSIGHT BOARD

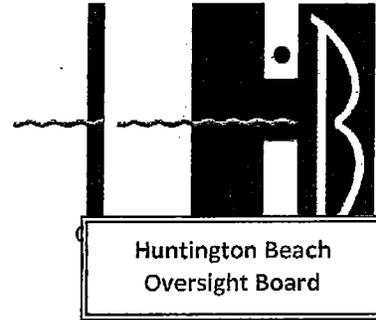
*of the Successor Agency of the former
City of Huntington Redevelopment Agency*

Special Meeting Agenda

January 8, 2013

5:30 P.M.

City Hall, 2000 Main Street, Civic Center Lower Level,
Room B-8, Huntington Beach, CA 92648



BOARD MEMBERS: City of Huntington Beach appointee **Mayor Connie Boardman**; County Board of Supervisors appointees **Lucy Dunn** and **Steve Bone**; Community Colleges Districts appointee **W. Andrew "Andy" Dunn**; Orange County Office of Education appointee **Carrie Delgado**; Former Huntington Beach Redevelopment Agency employee representative **Kellee Fritzal**; Special District – Orange County Sanitation District appointee **Joe Carchio**

CALL TO ORDER: 5:30 P.M.

ROLL CALL: Boardman, Bone, Carchio, Delgado, A. Dunn, L. Dunn, Fritzal

PLEDGE OF ALLEGIANCE: To be announced.

SUPPLEMENTAL COMMUNICATIONS: Announced by Board Secretary.

PUBLIC COMMENTS: *This is the portion of the meeting for any member of the public to address the Oversight Board on any matter that is within the subject matter jurisdiction of the board. The Brown Act, with limited exception, does not allow the board or staff to discuss issues brought forth under Public Comments. Comments should be limited to 3 minutes per person.*

BUSINESS:

1. Introductions and Administration of the Oath of Office

Recommended Board Action:

Introduction of Connie Boardman, Mayor of the City of Huntington Beach to Oversight Board Members and administration of the Oath of Office by the Board Secretary.

This agenda contains a brief general description of each item the Oversight Board will consider. The City Clerk has on file copies of written documentation relating to each item of business on this Agenda available for public inspection. Contact the City Clerk's Office at (714) 536-5227 or view the Agenda and related materials on the City's website at <http://www.huntingtonbeachca.gov>. Materials related to an item on this Agenda submitted to the Oversight Board after distribution of the Agenda Packet are available for public inspection in the City Clerk's Office at 2000 Main Street, Huntington Beach, California during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 536-5227. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility.

(28 CFR 35.102.35.104 ADA Title II)

2. Election of a Chair and Vice Chair for the Oversight Board

Recommended Board Action:

Elect one member to serve as Chair, and Vice Chair of the Oversight Board to the Successor Agency to the former City of Huntington Beach Huntington Beach Redevelopment Agency for the 2013 calendar year.

3. Adopt Resolutions by the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Huntington Beach relating to the Transfer of Ownership/Sale and Conveyance of Real Properties in the City of Huntington Beach current sites of the Surf Museum, 5th/Main St. paved walkway, Big O Tires, and under construction Van's Skate Park

Recommended Board Action: Motion to adopt:

- A) Resolution No. 2013-01, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Directing the Transfer of Ownership of Real Property in Accordance with Health and Safety Code Section 34181(a) [APN NO. 024-147-01];" and,
- B) Resolution No. 2013-02, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Directing the Transfer of Ownership of Real Property in Accordance with Health and Safety Code Section 34181(a) [APN NO. 024-153-21];" and,
- C) Resolution No. 2013-03, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Directing the Transfer of Ownership of Real Property in Accordance with Health and Safety Code Section 34181(a) [APN NO. 142-073-03];" and,
- D) Resolution No. 2013-04, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving a Purchase and Sale Agreement and Directing the Transfer of Ownership of Real Property in Accordance with Health and Safety Code Section 34181(a) [APN Nos. 142-081-06, 142-081-09, 142-081-10, 142-081-11, 142-081-12, and 142-081-28]."

4. Public Comment Session on the Due Diligence Review of the Non-Housing Redevelopment Funds, Pursuant to Health and Safety Code Section 34179.5 and 34179.6 [Assembly Bill 1484]

Recommended Board Action:

- A) Receive public comment on the Due Diligence Review for the Non-Housing Redevelopment Funds as required by Health and Safety Code Section 34179.6 (Assembly Bill 1484); and,

- B) Receive and File the Due Diligence Review for the Non-Housing Redevelopment Funds in anticipation of consideration of resolution of approval at January 15, 2013, Oversight Board meeting.

5. Approve and adopt Special Meeting Minutes

Recommended Board Action:

Approve and adopt the minutes of the Oversight Board Special Meeting of August 23, 2012, and approve and adopt the minutes of the Oversight Board Special Meeting of November 16, 2012, and as written and on file in the office of the Secretary of the Board.

MEMBER REPORTS/ANNOUNCEMENTS:

ADJOURNMENT: The next special meeting is scheduled for Tuesday, January 15, 2013, 4:30 PM at City Hall, 2000 Main Street, Civic Center Lower Level, Room B-8.

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #1

HUNTINGTON BEACH OVERSIGHT BOARD
*of the Successor Agency of the former
City of Huntington Redevelopment Agency*



There is no staff report for this agenda item

Item #1 will consist of the Oversight Board Secretary administering the Oath of Office to City of Huntington Beach appointee Mayor Connie Boardman

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #2

AGENDA REPORT

Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

MEETING DATE: January 8, 2013

SUBJECT/ACTION: Election of a Chair and Vice Chair for the Oversight Board

RECOMMENDED ACTION: Motion to:

Elect one member to serve as ("Board") Chair, and Vice Chair of the Oversight Board to the Successor Agency to the dissolved Huntington Beach Redevelopment Agency for the 2013 calendar year.

BACKGROUND/DISCUSSION:

AB 1x26 and AB 1484, the Redevelopment Dissolution Act, requires each successor agency to have an Oversight Board composed of seven members. The Oversight board must elect one of its members as Chair to preside over the Oversight Board meetings. It is also recommended that a Vice Chair be elected to preside over meetings in the absence of the Chair. Staff recommends that one-year terms be adopted.

It is also recommended that the Oversight Board Officers service through calendar year 2013, recognizing that pursuant to Health and Safety Code Section 34179(g), all Oversight Board members serve at the pleasure of the entity that appointed such member.

A majority of the total membership of the Oversight Board constitutes a quorum (four members) for the transaction of business. Four (4) affirmative votes are required to approve any action taken by the Oversight Board.

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #3

AGENDA REPORT

Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

MEETING DATE: January 8, 2013

SUBJECT/ACTION: Resolutions by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Relating to the Transfer of Ownership/Sale and Conveyance of Real Property in the City of Huntington Beach

RECOMMENDED ACTION: Motion to adopt:

- 1) Resolution No. 2013-01, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Directing the Transfer of Ownership of Real Property in Accordance with Health and Safety Code Section 34181(a) [APN NO. 024-147-01];" and,
- 2) Resolution No. 2013-02, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Directing the Transfer of Ownership of Real Property in Accordance with Health and Safety Code Section 34181(a) [APN NO. 024-153-21];" and,
- 3) Resolution No. 2013-03, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Directing the Transfer of Ownership of Real Property in Accordance with Health and Safety Code Section 34181(a) [APN NO. 142-073-03];" and,
- 4) Resolution No. 2013-04, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving a Purchase and Sale Agreement and Directing the Transfer of Ownership of Real Property in Accordance with Health and Safety Code Section 34181(a) [APN NOs. 142-081-06, 142-081-09, 142-081-10, 142-081-11, 142-081-12, and 142-081-28]."

BACKGROUND:

In response to the elimination of redevelopment agencies, in March 2011, the Huntington Beach City Council and the former Redevelopment Agency took various actions to transfer Agency assets and to transition activities of the former Agency to the City of Huntington Beach (City) in order to continue to implement redevelopment in the City. Subsequent to that, AB 1x 26 and AB 1484 were signed into law, which considered the transfer of assets to be unauthorized and invalid and which dissolved the former Redevelopment Agency as of February 1, 2012. The Huntington Beach City Council and Successor Agency approved the processing of documentation confirming ownership of the former Redevelopment Agency assets with the Successor Agency.

DISCUSSION:

On March 7, 2011, the Redevelopment Agency transferred certain real property and leases from the former Redevelopment Agency to the City. The actions taken were appropriate and necessary at that time to ensure that the City would be able to continue to meet its obligations to complete redevelopment/housing projects and activities through use of said real property.

On April 20, 2012, the California State Controller issued correspondence stating, in part, that “[i]f your city...received any assets from a redevelopment agency after January 1, 2011, your city...herby is ordered to...reverse the transfer and return the applicable assets to the successor agency”. On June 27, 2012, the Governor signed AB 1484, which made additional changes to AB 1x 26 and California Redevelopment Law to clarify and/or expand certain provision of the former Redevelopment Agency dissolution and wind down process. Among other things, AB 1484 set out requirements for Due Diligence Review, the purpose of which is to determine unobligated balances of the Successor Agency available for transfer to taxing entities. The Due Diligence Review will review, among other things, the transfer of assets from the former Redevelopment Agency to the City and other public agencies after January 1, 2011, as well as review the assets transferred from the former Redevelopment Agency to the Successor Agency on February 1, 2012, (the former Redevelopment Agency dissolution date).

The City and Successor agency took action on October 15, 2012, in a manner consistent with AB 1x 26, AB 1484, and the purported State Controller’s order rescinding the previous actions taken in March 2011, to transfer real property from the former Redevelopment Agency to the City of Huntington Beach. Quitclaim deeds (or other appropriate instruments) reflecting ownership of the former Redevelopment Agency properties by the Successor Agency were processed.

Four of the properties transferred, are considered Governmental Uses and pursuant to AB 1484, California Health and Safety Code Section 34181 (a) provides, in part, that the Oversight Board shall direct the Successor Agency to transfer ownership to the appropriate public jurisdiction of all assets and property constructed and used for governmental purposes. The four parcels are constructed and used for governmental purposes as described below.

- The transfer of ownership of property located in the City of Huntington Beach from the Successor Agency to the Redevelopment Agency of the City of Huntington Beach (“Successor Agency”) to the City of Huntington Beach. This property is a governmental use as a surf museum;
- The transfer of ownership of certain real property located in the City of Huntington Beach from the Successor Agency to the City of Huntington Beach. This property is a governmental use, an undevelopable remnant parcel in use as a paved walkway (alley) from Main Street to 5th Street;
- The transfer of ownership of certain real property located in the City of Huntington Beach from the Successor Agency to the City of Huntington Beach. This property is in construction for use as a public skate park (VANS); and
- The sale and conveyance of certain real property located in the City of Huntington Beach, California, APN Nos. 142-081-06, 142-081-09, 142-081-10, 142-081-11, 142-081-12, and 142-081-28 (collectively, “Agency Property”) from either the City of Huntington Beach or the Successor Agency to Campbell Lodging International, LLC pursuant to an existing Purchase and Sale Agreement. The Agency Property is currently in use as a Big O Tires site, but is proposed to be developed as a high-quality, first-class, four story, Hyatt Place Hotel or other brand hotel.

ATTACHMENT #1

RESOLUTION NO. 2013-01

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH DIRECTING THE TRANSFER OF OWNERSHIP OF REAL PROPERTY IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34181(a) [APN NO. 024-147-01]

WHEREAS, the former Redevelopment Agency of the City of Huntington Beach (“Agency”) was a redevelopment agency in the City of Huntington Beach (“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) (“CRL”); and

The Agency was responsible for the administration of redevelopment activities within the City; and

Section 33220 of the CRL provides that certain public bodies may aid and cooperate in the planning, undertaking, construction or operation of redevelopment projects; and

The City and the Agency entered into a number of Cooperation Agreements to continue the effort to redevelop, revitalize and/or eliminate blight in the City to achieve the purposes and goals of the CRL, to repay debt to the City and to provide for affordable housing, as appropriate and as authorized by redevelopment law in effect at the time of approval of said agreements; and

Pursuant to such authority set forth in the CRL and other applicable law, on March 7, 2011, by Resolution No. 2011-17, the City approved and accepted the transfer of certain real property located in the City of Huntington Beach, California, APN No. 024-147-01 (“Governmental Use Property”). The Governmental Use Property is in use as a surf museum pursuant to that certain Lease Agreement between the City of Huntington Beach and Huntington Beach and Marketing and Visitors Bureau dated as of January 27, 2011 (“Governmental Use Lease”); and

Pursuant to Resolution No. 2011-17, the City executed a certificate of acceptance (“Certificate of Acceptance”) for the Agency Deed designed to transfer ownership of the Governmental Use Property from the Agency to the City (“Agency Deed”); and

On or about March 10, 2011, the Agency Deed, along with the Certificate of Acceptance, was recorded in the official records of the County of Orange; and

Neither the Cooperation Agreements nor the purported transfer of the Governmental Use Property (or any of the related documents and actions) were challenged within the applicable statute of limitations; and

Subsequent to the date of transfer of the Governmental Use Property to the City, the City entered into the Governmental Use Lease; and

AB x1 26 (“AB 26”) was signed by the Governor of California on June 28, 2011, making certain changes to the CRL and adding Part 1.8 and Part 1.85 to Division 24 of the California Health and Safety Code; and

AB 26 states, in part, that “[t]he Legislature hereby finds that a transfer of assets by a redevelopment agency [after January 1, 2011] is deemed not to be in the furtherance of the [CRL] and is thereby unauthorized;” and

AB 26 further states, in part, that “[c]ommencing [February 1, 2012], ... arrangements between the city ... that created the redevelopment agency and the redevelopment agency are invalid...;” and

AB 26 further states, in part, that “[a]ll ... properties [and] buildings ... of the former redevelopment agency are transferred on [February 1, 2012], to the control of the successor agency;” and

On or about April 20, 2012, the California State Controller issued correspondence stating, in part, that “[i]f your city ... received any assets from a redevelopment agency after January 1, 2011, your city ... hereby is ordered to ... reverse the transfer and return the applicable assets to the successor agency of the relevant redevelopment agency;” and

Under AB 26, each successor agency shall have an oversight board with fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property taxes and other revenues pursuant to California Health and Safety Code Section 34188; and

The oversight board has been established for Successor Agency to the Redevelopment Agency of the City of Huntington Beach (“Successor Agency”) (which oversight board shall hereinafter be referred to as the “Oversight Board”) and all seven (7) members have been appointed to the Oversight Board pursuant to California Health and Safety Code Section 34179; and

AB 1484 (“AB 1484”) was signed by the Governor of California on June 27, 2012, making changes to AB 26 and certain additional changes to the CRL; and

AB 1484, at Section 34179.5(c)(2) of Part 1.85 of the California Health and Safety Code, categorizes certain assets as those “transferred after January 1, 2011 ... by the redevelopment agency ... to the city ... that formed the redevelopment agency...” (“Section 34179.5(c)(2) Assets”); and

AB 1484, at Section 34179.5(c)(1) of Part 1.85 of the California Health and Safety Code, categorizes certain other assets as those “transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.” (“Section 34179.5(c)(1) Assets”); and

Because (i) AB 26 states that a transfer of assets by a redevelopment agency after January 1, 2011 was “unauthorized”, (ii) AB 26 states that commencing February 1, 2012, arrangements between a redevelopment agency and the city that created it are “invalid” and (iii) the State Controller has purported to order that ownership of certain assets be vested in successor agencies, the Governmental Use Property is therefore not categorized as Section 34179.5(c)(2) Assets; and

Because AB 26 states that all properties and buildings of the former redevelopment agency are transferred on February 1, 2012 to the control of the successor agency, the Governmental Use Property was therefore categorized as Section 34179.5(c)(1) Assets; and

The City and Successor Agency do not acknowledge that the purported transfer of the Governmental Use Property by the Agency to the City in 2011 was not in furtherance of the CRL; and

The City and Successor Agency do not acknowledge the effectiveness of the Legislature’s purported deeming not to be in furtherance of the CRL of the purported transfer of assets that was conducted in accordance with the CRL at the time when made and was not challenged within the applicable statute of limitations; and

The City and Successor Agency do not acknowledge that commencing February 1, 2012, arrangements between the redevelopment agency and the city that created it are invalid; and

The City and Successor Agency do not acknowledge the effectiveness of the California State Controller’s order to reverse the transfer of the Governmental Use Property and return the applicable assets to the Successor Agency; and

The City and Successor Agency have limited financial resources and desire not to initiate litigation at this time with regard to AB 26, AB 1484 and/or the purported order by the California State Controller that ownership of the Governmental Use Property be vested in the Successor Agency; and

Therefore, in order to avoid the costs of litigation and other costs, the City and Successor Agency took action in a manner consistent with AB 26, AB 1484 and the California State Controller’s purported order, and in furtherance of the Successor Agency’s duties under Section 34179.6(h)(1) and Section 34179.6(f), by processing documentation reflecting ownership of the Governmental Use Property by the Successor Agency pursuant to City Resolution No. 2012-70 and Successor Agency Resolution No. 2012-06, without acknowledging the effectiveness of AB 26, AB 1484 and/or such order and duties, expressly disclaiming the same. A Quitclaim Deed

was recorded on October 17, 2012 whereby the City quitclaimed to the Successor Agency the City's right, title and interest in the Governmental Use Property; and

California Health and Safety Code Section 34181(a) provides, in pertinent part, that the Oversight Board shall direct the Successor Agency to transfer ownership to the appropriate public jurisdiction of all assets and property constructed and used for governmental purposes; and

The Governmental Use Property was constructed and is used for governmental purposes and has no monetary value due to its required operation as a surf museum pursuant to the Governmental Use Lease; and

The City is the appropriate public jurisdiction for ownership of the Governmental Use Property as authorized pursuant to California Health and Safety Code Section 34181(a); and

The Oversight Board desires to direct the Successor Agency to transfer ownership of the Governmental Use Property to the City as the appropriate public agency; and

Per Section 15301 of the State CEQA Guidelines, the transfer of the Governmental Use Property is exempt from environmental review under CEQA because the transfer will result in a continuation of an existing facility involving no expansion of use and is therefore exempt from environmental review, and any future development for the Governmental Use Property will require separate environmental review; and

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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.
2. The Oversight Board has received and heard all oral and written objections to the transfer of ownership of the Governmental Use Property and all such oral and written objections are hereby overruled.
3. The Oversight Board hereby approves of the terms of the Governmental Use Lease.
4. The Oversight Board hereby finds the City is the appropriate public jurisdiction to assume ownership of the Governmental Use Property.

5. The Oversight Board hereby approves of and directs the Successor Agency to transfer ownership of the Governmental Use Property to the City as the appropriate public agency (including the retention of the Governmental Use Lease).

6. The Oversight Board hereby acknowledges and agrees that the Governmental Use Lease constitutes the existence of an enforceable obligation pursuant to Part 1.8 and Part 1.85 of Division 24 of the Health and Safety Code for the purposes of, without limitation, the disposition of assets previously owned by the Agency.

7. The Oversight Board hereby authorizes and directs the Executive Director of the Successor Agency, or his or her designee, and the City Manager, or his or her designee, to take all actions and sign any and all documents necessary to implement and effectuate the actions approved by this Resolution including, without limitation, approving amendments to the Governmental Use Lease as determined necessary by the Executive Director of the Successor Agency, or his or her designee, and the City Manager, or his or her designee, executing documents on behalf of the Successor Agency and City (including, without limitation, assignment and assumption agreements, grant deeds and quitclaim deeds), and administering the Successor Agency's and City's obligations, responsibilities and duties to be performed pursuant to this Resolution and the Governmental Use Lease.

8. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City under law and/or in equity.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 20__.

Chairman

REVIEWED AND APPROVED:



Executive Director

INITIATED AND APPROVED:



Deputy Executive Director

APPROVED AS TO FORM:



for Agency Counsel

RESOLUTION NO. 2013-02

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH DIRECTING THE TRANSFER OF OWNERSHIP OF REAL PROPERTY IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34181(a) [APN NO. 024-153-21]

WHEREAS, the former Redevelopment Agency of the City of Huntington Beach (“Agency”) was a redevelopment agency in the City of Huntington Beach (“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) (“CRL”); and

The Agency was responsible for the administration of redevelopment activities within the City; and

Section 33220 of the CRL provides that certain public bodies may aid and cooperate in the planning, undertaking, construction or operation of redevelopment projects; and

The City and the Agency entered into a number of Cooperation Agreements to continue the effort to redevelop, revitalize and/or eliminate blight in the City to achieve the purposes and goals of the CRL, to repay debt to the City and to provide for affordable housing, as appropriate and as authorized by redevelopment law in effect at the time of approval of said agreements; and

Pursuant to such authority set forth in the CRL and other applicable law, on March 7, 2011, by Resolution No. 2011-17, the City approved and accepted the transfer of certain real property located in the City of Huntington Beach, California, APN No. 024-153-21 (“Governmental Use Property”). The Governmental Use Property is an undevelopable remnant parcel in use as a paved walkway (alley) from Main St. to 5th St.; and

Pursuant to Resolution No. 2011-17, the City executed a certificate of acceptance (“Certificate of Acceptance”) for the Agency Deed designed to transfer ownership of the Governmental Use Property from the Agency to the City (“Agency Deed”); and

On or about March 10, 2011, the Agency Deed, along with the Certificate of Acceptance, was recorded in the official records of the County of Orange; and

Neither the Cooperation Agreements nor the purported transfer of the Governmental Use Property (or any of the related documents and actions) were challenged within the applicable statute of limitations; and

AB x1 26 (“AB 26”) was signed by the Governor of California on June 28, 2011, making certain changes to the CRL and adding Part 1.8 and Part 1.85 to Division 24 of the California Health and Safety Code; and

AB 26 states, in part, that “[t]he Legislature hereby finds that a transfer of assets by a redevelopment agency [after January 1, 2011] is deemed not to be in the furtherance of the [CRL] and is thereby unauthorized;” and

AB 26 further states, in part, that “[c]ommencing [February 1, 2012], ... arrangements between the city ... that created the redevelopment agency and the redevelopment agency are invalid...;” and

AB 26 further states, in part, that “[a]ll ... properties [and] buildings ... of the former redevelopment agency are transferred on [February 1, 2012], to the control of the successor agency;” and

On or about April 20, 2012, the California State Controller issued correspondence stating, in part, that “[i]f your city ... received any assets from a redevelopment agency after January 1, 2011, your city ... hereby is ordered to ... reverse the transfer and return the applicable assets to the successor agency of the relevant redevelopment agency;” and

Under AB 26, each successor agency shall have an oversight board with fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property taxes and other revenues pursuant to California Health and Safety Code Section 34188; and

The oversight board has been established for Successor Agency to the Redevelopment Agency of the City of Huntington Beach (“Successor Agency”) (which oversight board shall hereinafter be referred to as the “Oversight Board”) and all seven (7) members have been appointed to the Oversight Board pursuant to California Health and Safety Code Section 34179; and

AB 1484 (“AB 1484”) was signed by the Governor of California on June 27, 2012, making changes to AB 26 and certain additional changes to the CRL; and

AB 1484, at Section 34179.5(c)(2) of Part 1.85 of the California Health and Safety Code, categorizes certain assets as those “transferred after January 1, 2011 ... by the redevelopment agency ... to the city ... that formed the redevelopment agency...” (“Section 34179.5(c)(2) Assets”); and

AB 1484, at Section 34179.5(c)(1) of Part 1.85 of the California Health and Safety Code, categorizes certain other assets as those “transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.” (“Section 34179.5(c)(1) Assets”); and

Because (i) AB 26 states that a transfer of assets by a redevelopment agency after January 1, 2011 was “unauthorized”, (ii) AB 26 states that commencing February 1, 2012, arrangements between a redevelopment agency and the city that created it are “invalid” and (iii) the State

Controller has purported to order that ownership of certain assets be vested in successor agencies, the Governmental Use Property is therefore not categorized as Section 34179.5(c)(2) Assets; and

Because AB 26 states that all properties and buildings of the former redevelopment agency are transferred on February 1, 2012 to the control of the successor agency, the Governmental Use Property was therefore categorized as Section 34179.5(c)(1) Assets; and

The City and Successor Agency do not acknowledge that the purported transfer of the Governmental Use Property by the Agency to the City in 2011 was not in furtherance of the CRL; and

The City and Successor Agency do not acknowledge the effectiveness of the Legislature's purported deeming not to be in furtherance of the CRL of the purported transfer of assets that was conducted in accordance with the CRL at the time when made and was not challenged within the applicable statute of limitations; and

The City and Successor Agency do not acknowledge that commencing February 1, 2012, arrangements between the redevelopment agency and the city that created it are invalid; and

The City and Successor Agency do not acknowledge the effectiveness of the California State Controller's order to reverse the transfer of the Governmental Use Property and return the applicable assets to the Successor Agency; and

The City and Successor Agency have limited financial resources and desire not to initiate litigation at this time with regard to AB 26, AB 1484 and/or the purported order by the California State Controller that ownership of the Governmental Use Property be vested in the Successor Agency; and

Therefore, in order to avoid the costs of litigation and other costs, the City and Successor Agency took action in a manner consistent with AB 26, AB 1484 and the California State Controller's purported order, and in furtherance of the Successor Agency's duties under Section 34179.6(h)(1) and Section 34179.6(f), by processing documentation reflecting ownership of the Governmental Use Property by the Successor Agency pursuant to City Resolution No. 2012-70 and Successor Agency Resolution No. 2012-06, without acknowledging the effectiveness of AB 26, AB 1484 and/or such order and duties, expressly disclaiming the same. A Quitclaim Deed was recorded on October 17, 2012 whereby the City quitclaimed to the Successor Agency the City's right, title and interest in the Governmental Use Property; and

California Health and Safety Code Section 34181(a) provides, in pertinent part, that the Oversight Board shall direct the Successor Agency to transfer ownership to the appropriate public jurisdiction of all assets and property constructed and used for governmental purposes; and

The Governmental Use Property was constructed and is used for governmental purposes and has no monetary value due to it being an undevelopable remnant parcel; and

The City is the appropriate public jurisdiction for ownership of the Governmental Use Property as authorized pursuant to California Health and Safety Code Section 34181(a); and

The Oversight Board desires to direct the Successor Agency to transfer ownership of the Governmental Use Property to the City as the appropriate public agency; and

Per Section 15301 of the State CEQA Guidelines, the transfer of the Governmental Use Property is exempt from environmental review under CEQA because the transfer will result in a continuation of an existing facility involving no expansion of use and is therefore exempt from environmental review; and

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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

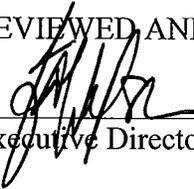
1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.
2. The Oversight Board has received and heard all oral and written objections to the transfer of ownership of the Governmental Use Property and all such oral and written objections are hereby overruled.
3. The Oversight Board hereby finds the City is the appropriate public jurisdiction to assume ownership of the Governmental Use Property.
4. The Oversight Board hereby approves of and directs the Successor Agency to transfer ownership of the Governmental Use Property to the City as the appropriate public agency.
5. The Oversight Board hereby authorizes and directs the Executive Director of the Successor Agency, or his or her designee, and the City Manager, or his or her designee, to take all actions and sign any and all documents necessary to implement and effectuate the actions approved by this Resolution including, without limitation, executing documents on behalf of the Successor Agency and City (including, without limitation, grant deeds and quitclaim deeds), and administering the Successor Agency's and City's obligations, responsibilities and duties to be performed pursuant to this Resolution.

6. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City under law and/or in equity.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 20__.

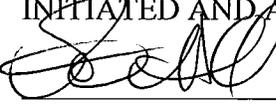
Chairman

REVIEWED AND APPROVED:



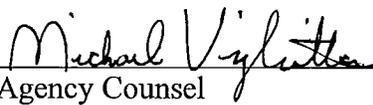
Executive Director

INITIATED AND APPROVED:



Deputy Executive Director

APPROVED AS TO FORM:



Agency Counsel

RESOLUTION NO. 2013-03

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH DIRECTING THE TRANSFER OF OWNERSHIP OF REAL PROPERTY IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34181(a) [APN NO. 142-073-03]

WHEREAS, the former Redevelopment Agency of the City of Huntington Beach (“Agency”) was a redevelopment agency in the City of Huntington Beach (“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) (“CRL”); and

The Agency was responsible for the administration of redevelopment activities within the City; and

Section 33220 of the CRL provides that certain public bodies may aid and cooperate in the planning, undertaking, construction or operation of redevelopment projects; and

The City and the Agency entered into a number of Cooperation Agreements to continue the effort to redevelop, revitalize and/or eliminate blight in the City to achieve the purposes and goals of the CRL, to repay debt to the City and to provide for affordable housing, as appropriate and as authorized by redevelopment law in effect at the time of approval of said agreements; and

Pursuant to such authority set forth in the CRL and other applicable law, on March 7, 2011, by Resolution No. 2011-17, the City approved and accepted the transfer of certain real property located in the City of Huntington Beach, California, APN No. 142-073-03 (“Governmental Use Property”). The Governmental Use Property is in use as a public skate park pursuant to that certain Ground Lease and Improvement Agreement between the City of Huntington Beach and VF Outdoor Inc., a Delaware corporation, doing business as “Vans”, dated as of January 27, 2011 and that certain Ground Lease between the City of Huntington Beach and VF Outdoor Inc., a Delaware corporation, doing business as “Vans”, dated as of January 27, 2012 (collectively, the “Governmental Use Lease”); and

Pursuant to Resolution No. 2011-17, the City executed a certificate of acceptance (“Certificate of Acceptance”) for the Agency Deed designed to transfer ownership of the Governmental Use Property from the Agency to the City (“Agency Deed”); and

On or about March 10, 2011, the Agency Deed, along with the Certificate of Acceptance, was recorded in the official records of the County of Orange; and

Neither the Cooperation Agreements nor the purported transfer of the Governmental Use Property (or any of the related documents and actions) were challenged within the applicable statute of limitations; and

Subsequent to the date of transfer of the Governmental Use Property to the City, the City entered into the Governmental Use Lease; and

AB x1 26 (“AB 26”) was signed by the Governor of California on June 28, 2011, making certain changes to the CRL and adding Part 1.8 and Part 1.85 to Division 24 of the California Health and Safety Code; and

AB 26 states, in part, that “[t]he Legislature hereby finds that a transfer of assets by a redevelopment agency [after January 1, 2011] is deemed not to be in the furtherance of the [CRL] and is thereby unauthorized;” and

AB 26 further states, in part, that “[c]ommencing [February 1, 2012], ... arrangements between the city ... that created the redevelopment agency and the redevelopment agency are invalid...;” and

AB 26 further states, in part, that “[a]ll ... properties [and] buildings ... of the former redevelopment agency are transferred on [February 1, 2012], to the control of the successor agency;” and

On or about April 20, 2012, the California State Controller issued correspondence stating, in part, that “[i]f your city ... received any assets from a redevelopment agency after January 1, 2011, your city ... hereby is ordered to ... reverse the transfer and return the applicable assets to the successor agency of the relevant redevelopment agency;” and

Under AB 26, each successor agency shall have an oversight board with fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property taxes and other revenues pursuant to California Health and Safety Code Section 34188; and

The oversight board has been established for Successor Agency to the Redevelopment Agency of the City of Huntington Beach (“Successor Agency”) (which oversight board shall hereinafter be referred to as the “Oversight Board”) and all seven (7) members have been appointed to the Oversight Board pursuant to California Health and Safety Code Section 34179; and

AB 1484 (“AB 1484”) was signed by the Governor of California on June 27, 2012, making changes to AB 26 and certain additional changes to the CRL; and

AB 1484, at Section 34179.5(c)(2) of Part 1.85 of the California Health and Safety Code, categorizes certain assets as those “transferred after January 1, 2011 ... by the redevelopment agency ... to the city ... that formed the redevelopment agency...” (“Section 34179.5(c)(2) Assets”); and

AB 1484, at Section 34179.5(c)(1) of Part 1.85 of the California Health and Safety Code, categorizes certain other assets as those “transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.” (“Section 34179.5(c)(1) Assets”); and

Because (i) AB 26 states that a transfer of assets by a redevelopment agency after January 1, 2011 was “unauthorized”, (ii) AB 26 states that commencing February 1, 2012, arrangements between a redevelopment agency and the city that created it are “invalid” and (iii) the State Controller has purported to order that ownership of certain assets be vested in successor agencies, the Governmental Use Property is therefore not categorized as Section 34179.5(c)(2) Assets; and

Because AB 26 states that all properties and buildings of the former redevelopment agency are transferred on February 1, 2012 to the control of the successor agency, the Governmental Use Property was therefore categorized as Section 34179.5(c)(1) Assets; and

The City and Successor Agency do not acknowledge that the purported transfer of the Governmental Use Property by the Agency to the City in 2011 was not in furtherance of the CRL; and

The City and Successor Agency do not acknowledge the effectiveness of the Legislature’s purported deeming not to be in furtherance of the CRL of the purported transfer of assets that was conducted in accordance with the CRL at the time when made and was not challenged within the applicable statute of limitations; and

The City and Successor Agency do not acknowledge that commencing February 1, 2012, arrangements between the redevelopment agency and the city that created it are invalid; and

The City and Successor Agency do not acknowledge the effectiveness of the California State Controller’s order to reverse the transfer of the Governmental Use Property and return the applicable assets to the Successor Agency; and

The City and Successor Agency have limited financial resources and desire not to initiate litigation at this time with regard to AB 26, AB 1484 and/or the purported order by the California State Controller that ownership of the Governmental Use Property be vested in the Successor Agency; and

Therefore, in order to avoid the costs of litigation and other costs, the City and Successor Agency took action in a manner consistent with AB 26, AB 1484 and the California State Controller’s purported order, and in furtherance of the Successor Agency’s duties under Section 34179.6(h)(1) and Section 34179.6(f), by processing documentation reflecting ownership of the Governmental Use Property by the Successor Agency pursuant to City Resolution No. 2012-70 and Successor Agency Resolution No. 2012-06, without acknowledging the effectiveness of AB 26, AB 1484 and/or such order and duties, expressly disclaiming the same. A Quitclaim Deed

was recorded on October 17, 2012 whereby the City quitclaimed to the Successor Agency the City's right, title and interest in the Governmental Use Property; and

California Health and Safety Code Section 34181(a) provides, in pertinent part, that the Oversight Board shall direct the Successor Agency to transfer ownership to the appropriate public jurisdiction of all assets and property constructed and used for governmental purposes; and

The Governmental Use Property was constructed and is used for governmental purposes and has no monetary value due to its required operation as a public skate park pursuant to the Governmental Use Lease;

The City is the appropriate public jurisdiction for ownership of the Governmental Use Property as authorized pursuant to California Health and Safety Code Section 34181(a); and

The Oversight Board desires to direct the Successor Agency to transfer ownership of the Governmental Use Property to the City as the appropriate public agency; and

Per Section 15301 of the State CEQA Guidelines, the transfer of the Governmental Use Property is exempt from environmental review under CEQA because the transfer will result in a continuation of an existing facility involving no expansion of use and is therefore exempt from environmental review, and any future development for the Governmental Use Property will require separate environmental review; and

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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.
2. The Oversight Board has received and heard all oral and written objections to the transfer of ownership of the Governmental Use Property and all such oral and written objections are hereby overruled.
3. The Oversight Board hereby approves of the terms of the Governmental Use Lease.
4. The Oversight Board hereby finds the City is the appropriate public jurisdiction to assume ownership of the Governmental Use Property.
5. The Oversight Board hereby approves of and directs the Successor Agency to

transfer ownership of the Governmental Use Property to the City as the appropriate public agency (including the retention of the Governmental Use Lease).

6. The Oversight Board hereby acknowledges and agrees that the Governmental Use Lease constitutes the existence of an enforceable obligation pursuant to Part 1.8 and Part 1.85 of Division 24 of the Health and Safety Code for the purposes of, without limitation, the disposition of assets previously owned by the Agency.

7. The Oversight Board hereby authorizes and directs the Executive Director of the Successor Agency, or his or her designee, and the City Manager, or his or her designee, to take all actions and sign any and all documents necessary to implement and effectuate the actions approved by this Resolution including, without limitation, approving amendments to the Governmental Use Lease as determined necessary by the Executive Director of the Successor Agency, or his or her designee, and the City Manager, or his or her designee, executing documents on behalf of the Successor Agency and City (including, without limitation, assignment and assumption agreements, grant deeds and quitclaim deeds), and administering the Successor Agency's and City's obligations, responsibilities and duties to be performed pursuant to this Resolution and the Governmental Use Lease.

8. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City under law and/or in equity.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 20__.

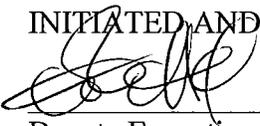
Chairman

REVIEWED AND APPROVED:



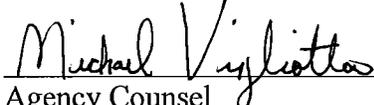
Executive Director

INITIATED AND APPROVED:



Deputy Executive Director

APPROVED AS TO FORM:



Agency Counsel

RESOLUTION NO. 2013-04

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH APPROVING A PURCHASE AND SALE AGREEMENT AND DIRECTING THE TRANSFER OF OWNERSHIP OF REAL PROPERTY IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34181(a) [APN NOs. 142-081-06, 142-081-09, 142-081-10, 142-081-11, 142-081-12, and 142-081-28]

WHEREAS, the former Redevelopment Agency of the City of Huntington Beach (“Agency”) was a redevelopment agency in the City of Huntington Beach (“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) (“CRL”); and

The Agency was responsible for the administration of redevelopment activities within the City; and

Section 33220 of the CRL provides that certain public bodies may aid and cooperate in the planning, undertaking, construction or operation of redevelopment projects; and

The City and the Agency entered into a number of Cooperation Agreements to continue the effort to redevelop, revitalize and/or eliminate blight in the City to achieve the purposes and goals of the CRL, to repay debt to the City and to provide for affordable housing, as appropriate and as authorized by redevelopment law in effect at the time of approval of said agreements; and

Pursuant to such authority set forth in the CRL and other applicable law, on March 7, 2011, by Resolution No. 2011-17, the City approved and accepted the transfer of certain real property located in the City of Huntington Beach, California, APN Nos. 142-081-06, 142-081-09, 142-081-10, 142-081-11, 142-081-12, and 142-081-28 (collectively, the “Agency Property”); and

Pursuant to Resolution No. 2011-17, the City executed certificates of acceptance (collectively, the “Certificates of Acceptance”) for the Agency Deeds designed to transfer ownership of the Agency Property from the Agency to the City (collectively the “Agency Deeds”); and

On or about March 10, 2011, the Agency Deeds, along with the Certificates of Acceptance, were recorded in the official records of the County of Orange; and

Neither the Cooperation Agreements nor the purported transfer of the Agency Property (or any of the related documents and actions) were challenged within the applicable statute of limitations; and

AB x1 26 (“AB 26”) was signed by the Governor of California on June 28, 2011, making certain changes to the CRL and adding Part 1.8 and Part 1.85 to Division 24 of the California Health and Safety Code; and

AB 26 states, in part, that “[t]he Legislature hereby finds that a transfer of assets by a redevelopment agency [after January 1, 2011] is deemed not to be in the furtherance of the [CRL] and is thereby unauthorized;” and

AB 26 further states, in part, that “[c]ommencing [February 1, 2012], ... arrangements between the city ... that created the redevelopment agency and the redevelopment agency are invalid...;” and

AB 26 further states, in part, that “[a]ll ... properties [and] buildings ... of the former redevelopment agency are transferred on [February 1, 2012], to the control of the successor agency;” and

Subsequent to the date of transfer of the Agency Property to the City, the City and Campbell Lodging, Inc. entered into that certain Purchase Agreement and Joint Escrow Instructions dated January 27, 2012, as amended by that Amendment to Purchase Agreement and Joint Escrow Instructions dated January 31, 2012 and that Second Amendment to Purchase Agreement and Joint Escrow Instructions dated June 25, 2012 (collectively, the “Purchase Agreement”) relating to the sale of the Agency Property and the development thereon of a high-quality, first-class, four story, 120-140 room Hyatt Place Hotel or other brand hotel (“Project”) pursuant to the terms and conditions contained in the Purchase Agreement. Campbell Lodging, Inc. assigned it’s rights as “Buyer” under the Purchase Agreement to Campbell Lodging International, LLC but retained the obligation to be the developer of the hotel; and

The disposition of the Agency Property pursuant to the Purchase Agreement is aimed at maximizing value in that the purchase price for the Agency Property pursuant to the Purchase Agreement is within the fair market value range of the Agency Property as determined by an appraisal of the Agency Property dated January 9, 2012 prepared by Nagasaki & Associates; and

On or about April 20, 2012, the California State Controller issued correspondence stating, in part, that “[i]f your city ... received any assets from a redevelopment agency after January 1, 2011, your city ... hereby is ordered to ... reverse the transfer and return the applicable assets to the successor agency of the relevant redevelopment agency;” and

Under AB 26, each successor agency shall have an oversight board with fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property taxes and other revenues pursuant to California Health and Safety Code Section 34188; and

The oversight board has been established for Successor Agency to the Redevelopment Agency of the City of Huntington Beach (“Successor Agency”) (which oversight board shall hereinafter be referred to as the “Oversight Board”) and all seven (7) members have been appointed to the Oversight Board pursuant to California Health and Safety Code Section 34179; and

AB 1484 (“AB 1484”) was signed by the Governor of California on June 27, 2012, making changes to AB 26 and certain additional changes to the CRL; and

AB 1484, at Section 34179.5(c)(2) of Part 1.85 of the California Health and Safety Code, categorizes certain assets as those “transferred after January 1, 2011 ... by the redevelopment agency ... to the city ... that formed the redevelopment agency...” (“Section 34179.5(c)(2) Assets”); and

AB 1484, at Section 34179.5(c)(1) of Part 1.85 of the California Health and Safety Code, categorizes certain other assets as those “transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.” (“Section 34179.5(c)(1) Assets”); and

Because (i) AB 26 states that a transfer of assets by a redevelopment agency after January 1, 2011 was “unauthorized”, (ii) AB 26 states that commencing February 1, 2012, arrangements between a redevelopment agency and the city that created it are “invalid” and (iii) the State Controller has purported to order that ownership of certain assets be vested in successor agencies, the Agency Property is therefore not categorized as Section 34179.5(c)(2) Assets; and

Because AB 26 states that all properties and buildings of the former redevelopment agency are transferred on February 1, 2012 to the control of the successor agency, the Agency Property was therefore categorized as Section 34179.5(c)(1) Assets; and

The City and Successor Agency do not acknowledge that the purported transfer of the Agency Property by the Agency to the City in 2011 was not in furtherance of the CRL; and

The City and Successor Agency do not acknowledge the effectiveness of the Legislature’s purported deeming not to be in furtherance of the CRL of the purported transfer of assets that was conducted in accordance with the CRL at the time when made and was not challenged within the applicable statute of limitations; and

The City and Successor Agency do not acknowledge that commencing February 1, 2012, arrangements between the redevelopment agency and the city that created it are invalid; and

The City and Successor Agency do not acknowledge the effectiveness of the California State Controller’s order to reverse the transfer of the Agency Property and return the applicable assets to the Successor Agency; and

The City and Successor Agency have limited financial resources and desire not to initiate litigation at this time with regard to AB 26, AB 1484 and/or the purported order by the California State Controller that ownership of the Agency Property be vested in the Successor Agency; and

Therefore, in order to avoid the costs of litigation and other costs, the City and Successor Agency took action in a manner consistent with AB 26, AB 1484 and the California State Controller's purported order, and in furtherance of the Successor Agency's duties under Section 34179.6(h)(1) and Section 34179.6(f), by processing documentation reflecting ownership of the Agency Property by the Successor Agency pursuant to City Resolution No. 2012-71 and Successor Agency Resolution No. 2012-07, without acknowledging the effectiveness of AB 26, AB 1484 and/or such order and duties, expressly disclaiming the same. Quitclaim Deeds were recorded on October 17, 2012 whereby the City quitclaimed to the Successor Agency the City's right, title and interest in the Agency Property; and

Per Section 15301 of the State CEQA Guidelines, the transfer of the Agency Property is exempt from environmental review under CEQA because the transfer will result in a continuation of an existing facility involving no expansion of use and is therefore exempt from environmental review, and any future development for the Agency Property will require separate environmental review; and

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 Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.
2. The Oversight Board hereby approves of the terms of the Purchase Agreement.
3. The Oversight Board hereby approves of and directs the sale and conveyance of the Agency Property from the City or Successor Agency to Campbell Lodging International, LLC in accordance with the terms and conditions set forth in the Purchase Agreement, for the purpose of Campbell Lodging, Inc. developing the Project.
4. The Oversight Board hereby approves of the transfer to the Successor Agency of the purchase price received from the sale of the Agency Property for distribution to the taxing agencies in accordance with AB 26/AB 1484. Specifically, the Oversight Board hereby approves of the transfer of all of the net proceeds received from the sale of the Agency Property to the Orange County Auditor-Controller and the distribution of such proceeds to the taxing entities pursuant to Health and Safety Code Sections 34177(e).

5. The Oversight Board hereby acknowledges and agrees that the Purchase Agreement constitutes the existence of an enforceable obligation pursuant to Part 1.8 and Part 1.85 of Division 24 of the Health and Safety Code for the purposes of, without limitation, the disposition of assets previously owned by the Agency.

6. The Oversight Board hereby authorizes and directs the Executive Director of the Successor Agency, or his or her designee, and the City Manager, or his or her designee, to take all actions and sign any and all documents necessary to implement and effectuate the Purchase Agreement and the actions approved by this Resolution (including, without limitation, approving extensions of deadlines or dates set forth in the Purchase Agreement and its attachments) as determined necessary by the City Manager or Executive Director, or his or her designee, approving amendments to the Purchase Agreement and its attachments as determined necessary by the City Manager or Executive Director, or his or her designee, to effectuate the Purchase Agreement, executing documents on behalf of the Successor Agency and City (including, without limitation, assignment and assumption agreements, grant deeds and quitclaim deeds), and administering the Successor Agency's and City's obligations, responsibilities and duties to be performed pursuant to this Resolution and the Purchase Agreement.

7. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City under law and/or in equity.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 20__.

Chairman

REVIEWED AND APPROVED:


Executive Director

INITIATED AND APPROVED:


Deputy Executive Director

APPROVED AS TO FORM:


sa Agency Counsel

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #4

AGENDA REPORT

Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

MEETING DATE: January 8, 2013

SUBJECT/ACTION: Public Comment Session on the Due Diligence Review of the Non-Housing Redevelopment Funds, Pursuant to Health and Safety Code Section 34179.5 and 34179.6 [Assembly Bill 1484]

RECOMMENDED ACTION: Motion to:

- 1) Receive public comment on the Due Diligence Review for the Non-Housing Redevelopment Funds as required by Health and Safety Code Section 34179.6 (Assembly Bill 1484).
- 2) Receive and File the Due Diligence Review for the Non-Housing Redevelopment Funds in anticipation of consideration of resolution of approval at January 15, 2013, Oversight Board meeting.

BACKGROUND:

The Oversight Board is to receive public comment on the due diligence review of the Non-Housing Funds of the dissolved Huntington Beach Redevelopment Agency (Agency) in anticipation of formal action by the Oversight Board to approve the due diligence review at its meeting on January 15, 2013. State law requires the Oversight Board to first receive public comment on the due diligence review and then hold a second meeting at least five business days later to take formal action to approve the due diligence review.

The attached Independent Accountant's Report on Applying the Agreed-Upon Procedures on the Successor Agency to the dissolved Huntington Beach Redevelopment Agency, except its Low and Moderate Income Housing Fund (Report) presents the results of this review.

The Report was provided to the County Auditor-Controller, the State Controller and the Department of Finance (Department) on January 7, 2013 in accordance with the provisions of AB 1484. By January 15, 2013, the Oversight Board is required to review, approve, and transmit to the Department and the County Auditor-Controller the determination of the due diligence review for the Non-Housing Funds including the amount of cash that is available for disbursement (which, in Huntington Beach's case, is zero).

ANALYSIS:

On June 27, 2012, the Governor signed AB 1484 modifying provisions of the Dissolution Act and imposing new requirements on successor agencies. Section 34177(d) of the Health and Safety Code requires successor agencies to remit unobligated balances of redevelopment agency funds to the County Auditor-Controller for distribution to the taxing entities. Section 34179.5 to the Health and Safety Code requires successor agencies to hire a licensed accountant, approved by the County Auditor-Controller and with experience and expertise in local government accounting, to conduct two due diligence reviews as noted below to determine the unobligated balances available for transfer to taxing entities. The accounting firm Vavrinek, Trine, Day & Co., LLP (VTD) was retained by the City and approved by the County of Orange to perform the required due diligence reviews.

Two due diligence reviews are required to be performed: one for the Housing Funds, and one for Non-Housing funds. The report for the Housing Funds was completed and approved by the Oversight Board at its last meeting held on November 16, 2012. The Department completed its review of that report and made adjustments that the Successor Agency is challenging through the Meet and Confer process. This report is for the Non-Housing Funds review and has been completed and submitted to the County and State and is now being presented to the Oversight Board as required by State law.

Section 34179.5 of the Health and Safety Code identifies the general requirements of the due diligence reviews. After its review of the law, the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants developed Agreed-Upon Procedures to satisfy these requirements with input from the State Controller's Office and the Department. The procedures include identifying assets transferred to the Successor Agency, the City, other public agencies or private parties; identifying assets remaining; and calculating the remaining balance available. The firm followed these procedures in determining there are no Non-Housing Funds of the dissolved Agency to be distributed to the taxing entities.

As required by Section 34179.6 of the Health and Safety Code, staff submitted the due diligence review for the Non-Housing Funds to: the Oversight Board, the State Controller, the Department, and the County Auditor-Controller. By January 15, 2013, the Oversight Board is required to review, approve, and transmit to the Department and the County Auditor-Controller the determination of the amount of cash that is available for disbursement from the Non-Housing Funds. As confirmed in Exhibit C-5 of the Report, there is no cash available for disbursement.

The Oversight Board is required to convene a public comment session at least five business days prior to the Oversight Board approving the due diligence review. Today's meeting is being held to convene the public comment session as required by law. The

next Oversight Board meeting is scheduled for January 15, 2013 for the purpose of requesting the Oversight Board's approval of the due diligence review for transmittal to the required parties.

ATTACHMENT:

Independent Accountant's Report on Applying Agreed-Upon Procedures on the Successor Agency to the Huntington Beach Redevelopment Agency, except its Low and Moderate Income Housing Fund was not available in time for distribution with the packet so will be made available as a Supplemental Communication upon its completion.

**Oversight Board of the Huntington
Beach Successor Agency
to the Redevelopment Agency**

Agenda Item #5

Special Meeting Minutes
City of Huntington Beach Oversight Board of the Successor Agency
of the Former City of Huntington Beach Redevelopment Agency

Thursday, August 23, 2012
5:00 PM - Room B-7
Civic Center, 2000 Main Street
Huntington Beach, California 92648

CALL TO ORDER – 5:02 P.M.

ROLL CALL

PRESENT: Chair Hansen, Bone, A. Dunn, Fritzal, and Carchio
ABSENT: Vice Chair L. Dunn, Delgado

PLEDGE OF ALLEGIANCE - Led by Chair Hansen

SUPPLEMENTAL COMMUNICATIONS

Pursuant to the Brown "Open Meetings" Act, Secretary Flynn announced there were no supplemental communication received after distribution of the agenda packet:

PUBLIC COMMENTS - (Limited to 3 minutes per person): None.

BUSINESS

1) Approved and Adopted the May 14, 2012 Special Meeting Minutes

A motion was made by Fritzal, second Bone to approve and adopt the Oversight Board minutes of the Special Meeting of May 14, 2012, as written and on file in the Office of the Secretary of the Board. The motion carried by the following vote:

AYES: Chair Hansen, Bone, A. Dunn, and Fritzal
NOES: None
ABSTAIN: Carchio
ABSENT: Vice Chair L. Dunn, Delgado

2) Approved the Recognized Obligation Payment Schedule (ROPS) for the Period of January 1, 2013 through June 30, 2013; and approved the Administrative Budget and Related Actions

Finance Director Lori Ann Farrell gave a report on the ROPS III and walked the Boardmembers through the matrix which was presented in the new Department of Finance (DOF) format.

Boardmember Steve Bone made an announcement that, as a shareholder, he had an economic conflict of interest within the ROPS for items pertaining to the Hyatt. Member Bone asked that items related to the Hyatt and the Hilton (#2, #13, and #48) be removed from consideration so that he could vote on the remainder of the ROPS III included as Exhibit A of Resolution 2012-02.

A1) A motion was made by A. Dunn, second Hansen to Adopt Resolution No. 2012-02, "A Resolution of the Huntington Beach Oversight Board of the Successor Agency of the Huntington Beach Redevelopment Agency Approving the Recognized Obligation Payment Schedule for the January 1 – June 30, 2013 Six-Month Fiscal Period ("Third ROPS") **Excluding Items 2, 13, and 48 of the ROPS III** (#2 Hyatt Regency Huntington Beach Project, #13 HUD Section 108 Infrastructure Loan for Hyatt/Hilton Properties, and #48 Waterfront Commercial Master Site Plan). The motion carried by the following vote:

AYES: Chair Hansen, Bone, A. Dunn, Fritzal, and Carchio
NOES: None
ABSENT: Vice Chair L. Dunn, Delgado

Bone recused himself and left the room while the Board discussed, considered and voted on items #2, 13, and 48 from Exhibit A of **Resolution 2012-02**.

A2) A motion was made by Hansen, second A. Dunn to adopt the portions of Resolution No. 2012-02, "A Resolution of the Huntington Beach Oversight Board of the Successor Agency of the Huntington Beach Redevelopment Agency Approving the Recognized Obligation Payment Schedule for the January 1 – June 30, 2013 Six-Month Fiscal Period ("Third ROPS") **Pertaining to items 2, 13, and 48 of the ROPS III (#2 Hyatt Regency Huntington Beach Project, #13 HUD Section 108 Infrastructure Loan for Hyatt/Hilton Properties, and #48 Waterfront Commercial Master Site Plan)**. The motion carried by the following vote:

AYES: Chair Hansen, A. Dunn, Fritzal, and Carchio
NOES: None
RECUSE/ABSTAIN: Bone
ABSENT: Vice Chair L. Dunn, Delgado

Boardmember Bone was alerted of the conclusion of the discussion and vote, and returned to the meeting room.

B) A motion was made by Dunn, second Hansen to Adopt Resolution No. 2012-03, "A Resolution of the Huntington Beach Oversight Board of the Successor Agency of the Huntington Beach Redevelopment Agency Approving the Successor Agency Administrative Budget and Related Actions." The motion carried by the following vote:

AYES: Chair Hansen, Bone, A. Dunn, Fritzal, and Carchio
NOES: None
ABSENT: Vice Chair L. Dunn, Delgado

3) Adopted a Resolution Consenting to and Approving the Termination of an Owner Participation Agreement (OPA) among the City, the former Redevelopment Agency, and Makallon Atlanta Huntington Beach LLC.

A motion was made by Carchio, second A. Dunn to adopt Resolution No. 2012 -04, "A Resolution of the Huntington Beach Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Consenting to and Approving the Termination of an Owner Participation Agreement Among the City, the Former Redevelopment Agency and Makallon Atlanta Huntington Beach, LLC." The motion carried by the following vote:

AYES: Chair Hansen, Bone, A. Dunn, Fritzal, and Carchio
NOES: None
ABSENT: Vice Chair L. Dunn, Delgado

4) Overview and Discussion of Assembly Bill 1484 –

Susan Y. Apy, Attorney at Law for the firm of Kane, Ballmer and Berkman delivered a presentation on the salient points of Assembly Bill 1484, the primary purpose of which is to make technical and substantive amendments to AB 26 based upon experience to-date at the state and local level in implementing AB 26. She also highlighted the additional requirements incorporated into AB 1484 which would require completion by the City prior to moving forward with completing activities, projects and programs. Questions were then directed to her by the Board regarding the goals of AB 26 and how AB 1484 affected those goals. Discussion also centered on the claw back provision and how that would affect the state's payment back to the school system. Questions were raised as to whether bankruptcy was an option for either the Oversight Board or the Successor

Agency. And what liability or immunity the Oversight Boardmembers have while operating under the scope of their duties. Additional time was spent on the concept of smoothing between ROPS periods and the inability to be allowed to utilize smoothing.

ADJOURNMENT: The meeting adjourned at 5:42. The next Special Meeting is tentatively scheduled for Thursday, October 4, 2012, 5:00 p.m. at City Hall, 2000 Main Street, Civic Center Lower Level, Room B-7.

Joan L. Flynn
Secretary of the Huntington Beach
Oversight Board of the Successor
Agency of the Former City of
Huntington Beach, California
Redevelopment Agency

Donald F. Hansen Jr.
Chair of the Huntington Beach
Oversight Board of the Successor
Agency of the Former City of
Huntington Beach, California
Redevelopment Agency

Special Meeting Minutes
City of Huntington Beach Oversight Board of the Successor Agency
of the Former City of Huntington Beach Redevelopment Agency

Friday, November 16, 2012
8:30 AM - Room B-8
Civic Center, 2000 Main Street
Huntington Beach, California 92648

CALL TO ORDER – 8:46 A.M.

ROLL CALL

PRESENT: Chair Hansen, A. Dunn, Fritzal, Carchio
ABSENT: Vice Chair L. Dunn, Bone, Delgado

PLEDGE OF ALLEGIANCE - Led by Chair Don Hansen

SUPPLEMENTAL COMMUNICATIONS

Pursuant to the Brown "Open Meetings" Act, Acting Secretary Rebecca Ross announced there were no supplemental communications received after distribution of the agenda packet:

PUBLIC COMMENTS - (Limited to 3 minutes per person): None.

BUSINESS

Approval and Adopted the November 8, 2012 Minutes

Chair Hansen noted the meeting date of November 9, 2012 listed on the agenda was incorrect and that the meeting actually took place on November 8, 2012.

A motion was made by Carchio, second Fritzal to approve and adopt the minutes of November 8, 2012.

AYES: Chair Hansen, A. Dunn, Fritzal, and Carchio
NOES: None
ABSENT: Vice Chair L. Dunn, Bone, Delgado

Adopted Resolution Approving and Authorizing the Transmittal of the Low and Moderate Income Housing Fund Due Diligence Housing Review

The public comment session was convened, and no public comments were received.

Finance Director Lori Ann Farrell explained the steps necessary for the Due Diligence Review pursuant to Assembly Bill 1484 and Health and Safety Code Section 34179.5.

Director Farrell clarified for Member Carchio three obligations that were being reviewed: Bella Terra, Pacific City, and Emerald Cove. It was noted that the State Department of Finance denied the obligation relating to the Owner Participation Agreement (OPA) with 21002 HB, LLC (Pacific City) because the original OPA with the previous developer was terminated. The Housing Authority is appealing this denial.

A motion was made by Hansen, second A. Dunn, to adopt Oversight Board Resolution No. 2012-05 "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving and Authorizing the Transmittal of the Low and Moderate Income Housing Fund Due Diligence Review."

AYES: Chair Hansen, A. Dunn, Fritzal, and Carchio
NOES: None
ABSENT: Vice Chair L. Dunn, Bone, Delgado

MEMBER REPORTS/ANNOUNCEMENTS: None.

ADJOURNMENT: The meeting was adjourned at 8:54 A.M.

Joan L. Flynn
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Oversight Board of the Successor
Agency of the Former City of
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Redevelopment Agency

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