

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 3/12/2013	(3) CONTACT/PHONE Dan Buckshi, County Administrative Officer 781-5011	
(4) SUBJECT Request to appoint Supervisor Debbie Arnold (District 5) to the Oversight Board for the Successor Agency to the former City of Atascadero Redevelopment Agency.			
(5) RECOMMENDED ACTION It is recommended that the Board appoint Supervisor Debbie Arnold (District 5) to the Oversight Board to review and approve the activities of the Successor Agency of the former City of Atascadero Redevelopment Agency.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>4-10-12</u>	
(17) ADMINISTRATIVE OFFICE REVIEW  This item was prepared by the Administrative Office.			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Administrative Office / Dan Buckshi,  
County Administrative Officer, 781-5011

DATE: 3/12/2013

SUBJECT: Request to appoint Supervisor Debbie Arnold (District 5) to the Oversight Board of the Successor Agency to the former City of Atascadero Redevelopment Agency.

## RECOMMENDATION

It is recommended that the Board appoint Supervisor Debbie Arnold (District 5) replacing former Supervisor, Jim Patterson to the Oversight Board to review and approve the activities of the Successor Agency of the former City of Atascadero Redevelopment Agency pursuant to Health & Safety Code Section 34179(a) (1).

## DISCUSSION

### Summary of Redevelopment Dissolution Act

All redevelopment agencies in the State of California, including the five redevelopment agencies (RDAs) in San Luis Obispo County, were eliminated on February 1, 2012 pursuant to AX1 26 (the "Dissolution Act"). There are five (5) former RDAs located within the County of San Luis Obispo for which Oversight Boards were appointed including the Cities of Arroyo Grande, Atascadero, Grover Beach, Pismo Beach, and Paso Robles. The cities of Atascadero, Arroyo Grande Grover Beach and Paso Robles all elected to serve as Successor Agencies to their former RDAs to wind down the affairs of their respective RDAs. Pismo Beach elected not to become the successor to their Agency and it is up to the Governor to appoint a three person committee to act as their Successor Agency.

### Role of Successor Agencies

A Successor Agency is required to wind down the affairs of the former RDA by disposing of the former RDA's assets or property expeditiously and in a manner aimed at maximizing value. They are also required to prepare administrative budgets for Oversight Board approval and pay administrative costs.

Each Successor Agency's activities are subject to review and approval by an Oversight Board. The actions of the Oversight Boards will in turn be overseen by the director of the State Department of Finance and may be subject to disapproval or modification.

### Role of the Oversight Boards and appointment of Board members

Health and Safety Code Section 34179(a) of ABX1 26 provides that the Oversight Board will be comprised of seven appointees from affected local taxing entities and the community that created the RDA.

The Oversight Board is generally intended to supervise the activities of the Successor Agency and ensure the former RDA's assets are distributed to the taxing entities expeditiously and in a manner that maximizes value. The Oversight Board has a fiduciary responsibility to holders of Enforceable Obligations of the former RDA and to the taxing entities that would benefit from the distribution of revenues generated by the liquidation of RDA assets.

The seven Oversight Board members are as follows:

1. One member appointed from the County Board of Supervisors;
2. One public member at large appointed by the County Board of Supervisors;
3. One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the redevelopment agency that is eligible to receive property tax revenues pursuant to Section 34188;
  - a. *Note: The Auditor-Controller has determined that the Library District is the largest special district in the former RDAs in Atascadero, Grover Beach and Arroyo Grande. The Paso Robles Cemetery District is the largest special district for Paso Robles and the Grover Street Lighting District is the largest special district for Grover Beach.*
4. One member appointed by the Superintendent of Schools;
5. One member by the chancellor of the California Community Colleges;
6. One member appointed by the mayor for the city that created the RDA;
7. One member representing the employees of the former redevelopment agency appointed by the mayor from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.

Commencing July 1, 2016, all of the Oversight Boards for the various former RDAs in a particular county will be consolidated into a single county-wide Oversight Board of specified composition.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

The Auditor-Controller has a substantial role under the Dissolution Act. The Auditor-Controller must conduct an audit of each former RDA's assets and liabilities, including pass-through payment obligations and the amount and terms of any RDA indebtedness and provide the State Controller's Office a copy of such audits. Additionally, the Auditor-Controller must:

- Annually determine the amount of property tax increment that would have been allocated to a RDA and deposit that amount in a Redevelopment Property Trust Fund; and
- Administer the Trust Fund for the benefit of holders of former RDA debt.

#### **FINANCIAL CONSIDERATIONS**

Successor Agencies are required to prepare administrative budgets for Oversight Board approval and pay for administrative costs. The Successor Agencies annual administrative costs will be an amount up to five percent of the property tax allocated to the Successor Agency for fiscal year 2011-12 and up to three percent of the property tax allocated to the Successor Agency each succeeding fiscal year. The annual amount will not be less than \$250,000 for any fiscal year or such lesser amount as agreed to by the Successor Agency.

#### **RESULTS**

According to the Dissolution Act, this suspension and prohibition of most redevelopment activities is intended, to the maximum extent possible, to preserve the revenues and assets of RDAs so that those assets and revenues that are not needed to pay for enforceable obligations may be used by state and local governments to fund core governmental services including police, fire protection services, and schools.