

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

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 4/10/2012	(3) CONTACT/PHONE Jim Grant, County Administrator 781-5011	
(4) SUBJECT Board appointments to Five Oversight Boards that will review and approve the activities of the Successor Agencies of the former Redevelopment Agencies.			
(5) RECOMMENDED ACTION It is recommended that the Board appoint the individuals identified below to the five Oversight Boards in the County to review and approve the activities of the Successor Agencies of the former Redevelopment Agencies.			
(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 { } Consent { } Presentation { } Hearing (Time Est. _____) {X } Board Business (Time Est. 15 minutes)			
(11) EXECUTED DOCUMENTS { } Resolutions { } Contracts { } Ordinances {X } N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5th's Vote Required {X } N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(14) W-9 {X } No { } Yes	
(15) LOCATION MAP N/A	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY {X } N/A Date _____	
(18) ADMINISTRATIVE OFFICE REVIEW			
(19) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: BOARD OF SUPERVISORS

FROM: JIM GRANT, ADMINISTRATIVE OFFICE

DATE: April 10, 2012

SUBJECT: Board appointments to Five Oversight Boards that will review and approve the activities of the Successor Agencies of the former Redevelopment Agencies.

RECOMMENDATION

It is recommended that the Board appoint the individuals identified below to the five Oversight Boards in the County to review and approve the activities of the Successor Agencies of the former Redevelopment Agencies.

DISCUSSION

Recommended Appointments

- 1) Appoint a single member to the Oversight Boards of each of the (5) Successor Agencies to the (5) former Redevelopment Agencies within the County of San Luis Obispo pursuant to Health & Safety Code Section 34179(a) (1) as follows:
 - a. Appoint Supervisor Patterson (District 5), to the Oversight Board of the Successor Agency to the former City of Atascadero Redevelopment Agency.
 - b. Appoint Supervisor Mecham (District 1), to the Oversight Board of the Successor Agency to the former City of Paso Robles Redevelopment Agency.
 - c. Appoint Supervisor Hill (District 3), to the Oversight Boards of the Successor Agencies to the former City of Pismo Beach Redevelopment Agency and the former City of Grover Beach Redevelopment Agency.
 - d. Appoint Supervisor Teixeira (District 4), to the Oversight Board of the Successor Agency to the former City of Arroyo Grande Redevelopment Agency.
- 2) Appoint a special district member to the Oversight Boards to the following Successor Agencies within the County of San Luis Obispo pursuant to Health & Safety Code Section 34179(a)(3) as follows:
 - a. Appoint Dan Buckshi, Assistant County Administrator, to the Oversight Board of the Successor Agency to the former City of Pismo Beach Redevelopment Agency.
 - b. Appoint Will Clemens, County Public Works Administrator, to the Oversight Boards of the Successor Agencies to the former City of Paso Robles and City of Atascadero Redevelopment Agencies.
 - c. Appoint Paavo Ogren, County Public Works Director, to the Oversight Board of the Successor Agency to the former City of Arroyo Grande Redevelopment Agency.

- 3) Appoint a public at large member to the Oversight Boards to the following Successor Agencies within the County of San Luis Obispo pursuant to Health & Safety Code Section 34179(a)(6) as follows:
- a. Appoint Kenneth Weathers to the Oversight Board of the Successor Agency to the former City of Atascadero Redevelopment Agency.
 - b. Appoint Chris Iversen to the Oversight Board of the Successor Agency to the former City of Paso Robles Redevelopment Agency.
 - c. Appoint Laurie Saldana to the Oversight Board of the Successor Agency to the former City of Pismo Beach Redevelopment Agency.
 - d. Appoint Lenny Jones to the Oversight Board of the Successor Agency to the former City of Arroyo Grande Redevelopment Agency.
 - e. Appoint Brad Evans to the Oversight Board of the Successor Agency to the former City of Grover Beach Redevelopment Agency.

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 Redevelopment Agencies located within the County of San Luis Obispo for which Oversight Boards will be appointed including the Cities of Arroyo Grande, Atascadero, Grover Beach, Pismo Beach, and the City of 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 Agencies. 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 political appointees from affected local taxing entities and the community that created the redevelopment agency. The Oversight Board membership must be completed by May 1, 2012. The Governor may appoint individuals to any unfilled positions as of May 15, 2012 or to any member position that remains vacant for more than 60 days.

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 will be as follows:

1. One member appointed by the county Board of Supervisors;
2. One public member 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 cities RDA's of 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. Given this information, it has been determined that the Board of Supervisors have the responsibility to make the appointments to the Library District and Cemetery District.*
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.

Future Legislative Actions

While redevelopment agencies have been eliminated, there will be further legislative action seeking to clarify several provisions within AX1 26. Currently, 11 new bills redevelopment bills have been introduced by the legislature. For example, Senate Bill 654 (Steinberg) is currently under consideration and, if enacted, would clarify the treatment of both Certificate of Participation reimbursement agreements and Low and Moderate Income Housing Funds. Additionally, Assembly Bill 1585 (Perez) would, among other things, clarify the treatment of Low and Moderate Income Housing Funds and former RDA employee representative appointments to Oversight Boards under Health & Safety Code Section 34179(a)(7).

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 by July 15, 2012. 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 local governments to fund core governmental services including police, fire protection services, and schools.

ATTACHMENTS

Brad Evans Application
Kenneth Weathers Application