

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Planning and Community Development *nr*

BOARD AGENDA # B-8

Urgent Routine

AGENDA DATE March 20, 2012

CEO Concurs with Recommendation YES NO
prt
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Appoint the Members to the Eleven Oversight Boards of the Successor Agencies in Stanislaus County

STAFF RECOMMENDATIONS:

Appoint members to the eleven (11) Oversight Boards of the Successor Agencies in Stanislaus County:

Stanislaus County: Supervisor Terry Withrow, Jim Duval and Brad Hawn

District One

Oakdale: Supervisor William O'Brien and Farrell Jackson

Riverbank: Supervisor William O'Brien and Curtis Lineberger

Waterford: Supervisor William O'Brien and Jeff Montgomery

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FISCAL IMPACT:

There are no fiscal impacts associated with this item. Oversight Board members are not compensated positions. Their duties and responsibilities encompass overseeing the Successor Agencies and the winding down of the former redevelopment agencies per the Redevelopment Agency Dissolution Act (ABx1 26). A Successor Agency is required to make payments and perform other obligations due for "Enforceable Obligations" of the former redevelopment agency. These include bonds, loans borrowed by the former redevelopment agency, payments required by Federal or State government or for employee

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BOARD ACTION AS FOLLOWS:

No. 2012-120

On motion of Supervisor Monteith, Seconded by Supervisor Withrow

and approved by the following vote,

Ayes: Supervisors: Chiesa, Withrow, Monteith, De Martini and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

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STAFF RECOMMENDATIONS: (Continued)

District Two

Hughson: Supervisor Vito Chiesa.

Turlock: Supervisor Vito Chiesa and Curt Andre

District Four

Modesto: Supervisor Dick Monteith and Ernest Foote

District Five

Ceres: Supervisor Jim DeMartini.

Newman: Supervisor Jim DeMartini and Vicki Lucas

Patterson: Supervisor Jim DeMartini and Howard Sword

Stanislaus-Ceres: Supervisor Terry Withrow and Paul Caruso

FISCAL IMPACT: (Continued)

pension obligations, judgments or settlements, and legally binding and enforceable agreements or contracts that are “not otherwise void as violating the debt limit or public policy.”

DISCUSSION:

Background

On December 29, 2011, the California Supreme Court delivered its decision in the *California Redevelopment Association v. Matosantos* case, finding the Redevelopment Agency Dissolution Act (ABx1 26) constitutional. The Court's decision dissolved all redevelopment agencies in the State, as of February 1, 2012. City and County jurisdictions had, under the legislation, the option of becoming the Successor Agency to the former redevelopment agency that in many instances they established. The Successor Agencies would be overseen by Oversight Boards formed as prescribed in the Redevelopment Agency Dissolution Act.

In Stanislaus County, there existed eleven (11) Redevelopment Agencies that were impacted by the California Supreme Court decision. They included Stanislaus County, Modesto, Turlock, Ceres, Stanislaus-Ceres, Riverbank, Oakdale, Patterson, Newman, Hughson and Waterford. Stanislaus County and nearly all incorporated cities with Redevelopment Agencies became Successor Agencies for their respective areas.

Only Riverbank opted not to become a Successor Agency by taking the required action on January 13, 2012, including filing a copy of the resolution to that effect

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with the County Auditor-Controller. Governor Brown subsequently appointed three members to the former Riverbank Redevelopment Agency and charged them with the responsibility of assisting with winding down its affairs. In a later action, the Riverbank City Council also opted not to appoint members to the Oversight Board. Per the legislation, the Governor's Office may appoint individuals to fill any oversight board member position--that has not been filled by May 15, 2012 or any member position that remains vacant for more than 60 days.

Oversight Board Structure

The Redevelopment Agency Dissolution Act requires that each Successor Agency have an Oversight Board of seven (7) members generally intended to supervise its activities. The Oversight Board has a fiduciary responsibility to holders of "Enforceable Obligations" and the taxing entities that benefit from distributions of property tax and other revenues.

Generally, the Oversight Board will be comprised of members representing:

- County Board of Supervisors (two (2) members);
- County Superintendent of Education (one (1) member)
- Chancellor of California Community Colleges (one (1) member);
- Largest special district taxing entity (one (1) member);
- A former Redevelopment Agency employee representative appointed by Mayor/Board of Supervisors (one (1) member); and
- Mayor (one (1) member) (for the city that formed the redevelopment agency), or
- Largest city by acreage in the territorial jurisdiction of the former redevelopment agency (one (1) member) (if the county or a joint power agency formed the redevelopment agency).

The Stanislaus County Board of Supervisors is tasked with appointing Oversight Board members to all eleven (11) Successor Agencies. For the Stanislaus County Successor Agency, the Board of Supervisors will appoint three (3) members, and for all others two (2) members. In total, the Board of Supervisors will appoint 23 members responsible for directing the Successor Agencies in Stanislaus County.

If approved, staff's recommendation will appoint 21 of the 23 members to the Oversight Boards of the Successor Agencies in Stanislaus County. The public member appointments for Ceres and Hughson are still pending as the County is working with those respective cities to identify interested and qualified candidates. The Chief Executive Office expects to bring those two appointment

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recommendations back to the Board of Supervisors for consideration during its subsequent meeting on March 27, 2012.

The general guidelines for Oversight Boards are as follows:

- One (1) member per Oversight Board shall be elected as Chairperson.
- The names of the members including the designation of the Chairperson shall be reported to the Department of Finance (DOF) by May 1, 2012.
- One (1) individual may be appointed to up to five (5) Oversight Boards.
- A majority of total membership shall constitute a quorum (four (4) members) – majority vote.
- The Brown Act/Robert's Rules of Order applies to the Oversight Board.
- Oversight Board has fiduciary responsibility to the holders of enforceable obligations, as well as the taxing entities that benefit from the distribution of property tax.

The Oversight Board is responsible for first approving some actions of the Successor Agency, including, but not limited, to the following:

- Establishment of new repayment terms for outstanding loans where the terms have not been specified;
- Refunding of outstanding bonds or other debt of the former redevelopment agency in order to provide savings or to finance debt service spikes; provided, however, that no additional debt is created and debt service is not accelerated;
- Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds;
- Merging of project areas;
- Continuing the acceptance of Federal or State grants, or other forms of financial assistance from either public or private sources, where assistance is conditioned upon provision of matching funds; and
- Establishment of Recognized Obligation Payment Schedule.

Oversight Boards are also required to direct the Successor Agency to do the following:

- Dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenue of the dissolved redevelopment agency;
- Cease performance in connection with and terminate all existing agreements that do not qualify as enforceable obligations;

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- Transfer housing responsibilities and all rights, powers, duties, and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity;
- Terminate any agreement, between the dissolved redevelopment agency and any public entity located in the same county;
- Determine whether any contracts, agreements, or other agreements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities.

Oversight Board Appointments

The Redevelopment Agency Dissolution Act provides minimal guidance in regards to the process for making appointments to Successor Agency Oversight Boards. As such, the Chief Executive Office and Planning and Community Development Department worked with the Board of Supervisors to develop a plan for accomplishing this critical task in a timely manner.

Staff's recommendation includes the appointment of one (1) member from the Board of Supervisors to the eleven (11) Successor Agencies in Stanislaus County. Additionally, for the public member seat, individuals were identified who had some familiarity with redevelopment, public sector operations, or other areas of relevant expertise. For the Stanislaus County Successor Agency Oversight Board, it was also necessary to identify a representative of the former redevelopment agency staff. The Board of Supervisor's appointments, once approved, will assist with composing the required seven (7) member Oversight Boards—many of which are in the process of being appointed by the authorized agencies.

Oversight Boards are intended to be composed of individuals representing the various taxing entities. The following table shows the proposed makeup of the Stanislaus County Successor Agency Oversight Board:

Stanislaus County RDA Successor Agency (County of Stanislaus)

	Appointing Authority (Per Dissolution Act)	Appointee
1	Stanislaus County Board of Supervisors	Terry Withrow
2	Stanislaus County Board of Supervisors (Public Member)	Brad Hawn
3	Stanislaus County Board of Supervisors (Former RDA Employee Rep)	Jim Duval
4	Stanislaus County Office of Education – Superintendent	Duane Waterston
5	Yosemite Community College District – Chancellor	Linda Flores
6	Stanislaus Consolidated Fire District (Largest Special District)	Stephen White
7	City of Modesto (Largest City by Acreage)	Dave Coggill

*Subject to approval by the Modesto City Council on March 27, 2012.

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Successor Agency Collaborative

Since the Redevelopment Agency dissolution date of February 1, 2012, Successor Agencies statewide have been trying to get their arms around the implementation of ABx1 26. Locally, through existing partnerships and a collective need, impacted agencies have been communicating with one another on the current information made available by the State of California, through the Department of Finance, and through professional support provided by consulting and legal firms and associations, such as the California Redevelopment Association (CRA). Successor Agency staff and other partner agencies have met several times to discuss duties, responsibilities and the work ahead. Stanislaus County has provided leadership in this regard and has served as the point of contact for city jurisdictions and other partners. Understanding that there are benefits to working together an informal Successor Agency Collaborative (SAC) has come together to share information, for coordination purposes and to provide general support. The Stanislaus County Auditor-Controller is an active participant in the SAC and has been working to inform the Successor Agencies of the tasks her office must undertake under the Redevelopment Agency Dissolution Act and the coordination that will be needed.

Next Steps/Training Opportunity

Once established, the Oversight Boards of the Successor Agencies will need to complete several tasks by the deadlines as indicated in the Redevelopment Agency Dissolution Act. The next critical task includes approval of the Recognized Obligation Payment Schedule (ROPS) and forwarding it to the Department of Finance and State Controller's Office by April 15, 2012. Other required work will include the approval of the Successor Agency operating budget as well as asset management.

Across the State, there exists much uncertainty about the practical implementation of ABx1 26. Training sessions are being offered throughout the State of California by various both private and public entities. The California Department of Finance has hosted a few informational sessions and continues to direct Successor Agency staff to their website for resource information. In order to ensure that every Successor Agency has access to the same information, the SAC has planned a workshop for March 23, 2012 at the Stanislaus County Agricultural Center – Harvest Hall to share information, provide some instruction and leverage collective resources. The informational workshop is targeted for Oversight Board members and Successor Agency staff. Other components of the workshop will include a redevelopment primer, ethics training and a discussion of agreed upon accounting procedures to be implemented by the Stanislaus County Auditor-Controller.

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POLICY ISSUES:

The Board appointments to the Oversight Boards of the Successor Agencies in Stanislaus County will ensure that adequate oversight is provided during the winding down of the former local redevelopment agencies. Collectively, the activities of the Successor Agencies fall within the Board Priorities of A Well Planned Infrastructure System, A Healthy Community, and Effective Partnerships. The State's recent actions have eliminated local governments' ability to use redevelopment as a tool in eliminating blight from a designated area, and to achieve desired development, reconstruction, and rehabilitation including but not limited to: residential, commercial, industrial and retail.

STAFFING IMPACT:

The Department of Planning and Community Development, Chief Executive Office, County Counsel, and the Auditor Controller will continue to collaborate with Successor Agency staff and other relevant entities (Yosemite Community College District, Stanislaus County Office of Education and special districts) on matters pertaining to the local implementation of the Redevelopment Agency Dissolution Act. Per prior action on January 10, 2012, the Board of Supervisors directed the Chief Executive Officer, County Counsel, Director of Planning and Community Development, and Auditor-Controller to take all steps necessary to serve as the Successor Agency staff.

CONTACT PERSONS:

Angela Freitas, Interim Director of the Planning Department, 209.525.6330
Keith Boggs, Assistant Executive Officer, 209.525.6333

Appointment of Members to the Eleven Oversight Boards of the Successor Agencies in Stanislaus County

March 20, 2012

Redevelopment Agency Dissolution Act (ABx1 26)

- Effective February 1, 2012
- Sponsoring Communities as Successor Agencies
 - Riverbank Designated Local Authority
- Oversight Boards

Oversight Boards

General Responsibilities

Responsible for approving:

- Establishment of Recognized Obligation Payment Schedules (ROPS)
- Refunding of outstanding bonds or other debt.

Responsible for directing:

- Disposal of all assets and properties
- Transfer of housing responsibilities
- Determining if contracts and agreements should be terminated or renegotiated.

Oversight Boards

General Structure

- (2) County Board of Supervisors;
- (1) Superintendent of Education;
- (1) Chancellor of CA Community Colleges;
- (1) Largest Special District Taxing Entity;
- (1) Employee Representative; and

- (1) Mayor – City that formed the Agency, or
- (1) Largest City by Acreage in Territory of Agency – County or JPA that formed Agency.

Board of Supervisor Appointments

Responsible for appointment of 23 members to the 11 Successor Agencies within the County:

- (1) member of the Board of Supervisors to each of the 11 Successor Agencies.
- (1) member of the public to each of the 11 Successor Agencies (*familiarity with redevelopment and public sector operations*)
- (1) employee representative to the Stanislaus County Successor Agency.

Members of the Board of Supervisors

- Supervisor O'Brien: Oakdale, Riverbank, and Waterford
- Supervisor Chiesa: Hughson and Turlock
- Supervisor Withrow: Stanislaus County and Stanislaus-Ceres
- Supervisor Monteith: Modesto
- Supervisor DeMartini: Ceres, Newman, and Patterson

Members of the Public

- Brad Hawn: Stanislaus County
- Farrell Jackson: Oakdale
- Curtis Lineberger: Riverbank
- Jeff Montgomery: Waterford
- Curt Andre: Turlock
- Ernest Foote: Modesto
- Vicki Lucas: Newman
- Howard Sword: Patterson
- Paul Caruso: Stanislaus-Ceres

Other Members

- Jim Duval: Stanislaus County – Employee Representative.
- Members of the Public for Ceres and Hughson are still pending. Expect to bring back on March 27, 2012.

Collaboration, Training, and Next Steps

- Successor Agency Collaborative
- California Redevelopment Association
- March 23, 2012 Oversight Board Training
- April 15, 2012 deadline for submitting Oversight Board approved Recognized Obligation Payment Schedule (ROPS) to County Auditor-Controller and State Department of Finance

Questions?