

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

DEPT: Planning and Community Development AF

BOARD AGENDA # *B-4

Urgent

Routine

AGENDA DATE March 27, 2012

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Appoint Public Members to the Ceres and Hughson Successor Agency Oversight Boards

STAFF RECOMMENDATIONS:

Appoint public members to the Ceres and Hughson Successor Agency Oversight Boards:

District Five
Ceres: Mike Lyons

District Two
Hughson: Ramon Bawanan

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
(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2012-124

On motion of Supervisor Monteith, Seconded by Supervisor De Martini
and approved by the following vote,

Ayes: Supervisors: Withrow, Monteith, De Martini, and Vice-Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: Chairman O'Brien

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST: Christine Ferraro
CHRISTINE FERRARO TALLMAN, Clerk

File No.

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 March 20, 2012, the Stanislaus County Board of Supervisors appointed twenty-one (21) members to the eleven (11) Oversight Boards of the Successor Agencies of the former Stanislaus County, Modesto, Turlock, Ceres, Riverbank, Oakdale, Patterson, Newman, Hughson, Waterford and Stanislaus-Ceres Redevelopment Agencies. As part of the Redevelopment Agency Dissolution Act, the Board of Supervisors was authorized to make a total of 23 appointments. At that time, the public member appointments for the Ceres and Hughson Oversight Boards were still pending. Approval of staff’s recommendation will complete the Board of Supervisors appointment of individuals that will be responsible to assisting to direct the Successor Agencies in Stanislaus County.

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. Successor Agencies will be overseen by Oversight Boards formed as prescribed in the Redevelopment Agency Dissolution Act.

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);

Approval to Appoint Public Members to the Ceres and Hughson Successor
Agency Oversight Boards
Page 3

- 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 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;
- 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; and
- 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

Staff's recommendation is consistent with the goal of appointing individuals to the public member seats who have familiarity with redevelopment, public sector operations, or other areas of relevant expertise. Mr. Mike Lyons is currently legal counsel for the City of Ceres. Mr. Ramon Bawanan is currently the Mayor for the City of Hughson. With these final appointments, the Board of Supervisors will meet its composition responsibility for each of the seven (7) member Oversight Boards for the Successor Agencies in Stanislaus County.

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.

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. Local training has also been provided when possible using available resources.

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:

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