



Agenda Item No. \_\_\_\_\_

File Code No. 620.01

# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 27, 2012  
**TO:** Mayor and Councilmembers  
**FROM:** Housing Division, Community Development Department  
**SUBJECT:** RDA Successor Agency Oversight Board Appointments

### **RECOMMENDATION:**

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Acting as Successor Agency to the Redevelopment Agency of the City of Santa Barbara, Confirming the Mayor's Appointment of Members to the Successor Agency's Oversight Board Pursuant to Health and Safety Code Section 34179.

### **BACKGROUND:**

On December 29, 2011, the Supreme Court issued its much anticipated rulings on AB 1X 26 ("AB 26") and 27 ("AB 27"). It upheld AB 26 ("Dissolution") and struck down AB 27 ("Continuation"). With no recourse for further appeal, the Supreme Court decision is final. In its decision, the Supreme Court extended each effective date or deadline for performance of an obligation in AB 26, to take effect four months later. As a result of the decision, every redevelopment agency in the State was dissolved pursuant to AB 26, as of February 1, 2012.

AB 26 provides that the city that authorized the creation of a redevelopment agency is designated as the successor agency to the former agency and, with certain exceptions, is vested with all authority, rights, powers, duties, and obligations previously vested with the redevelopment agency under the Community Redevelopment Law (Health & Safety Code, § 33000 et seq.) and is responsible for the winding down of the agency's affairs. The City of Santa Barbara confirmed its appointment as Successor Agency to the former Redevelopment Agency of the City of Santa Barbara on January 10, 2012.

Section 34179(a) of AB 26 requires the establishment of an Oversight Board for each successor agency. The Oversight Board is generally intended to supervise the activities of the successor agency and ensure that the former redevelopment agency'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 agency and to the taxing entities that would benefit from the distribution of revenues generated by the liquidation of agency assets. Oversight Boards must be in place no later than May 1, 2012.

**DISCUSSION:**

The activities of the City, as Successor Agency to the former Redevelopment Agency of the City of Santa Barbara, will be overseen by its Oversight Board, until such time as all of the debts of the Agency are paid off, all Agency assets liquidated and all property taxes previously paid to the Agency are redirected to local taxing agencies. Health and Safety Code section 34179(a), enacted by AB 26, provides that the Oversight Board is to be composed of seven (7) members, selected as follows:

1. One member appointed by the County of Santa Barbara Board of Supervisors ("BOS").
2. One member appointed by the Mayor of the City.
3. One member appointed by the largest special district (Santa Barbara County Flood Control and Water Conservation District), by property tax share, with territory in the territorial jurisdiction of the Agency, which is the type of special district eligible to receive property tax revenues pursuant to Health and Safety Code section 34188.
4. One member appointed by the Santa Barbara County Superintendent of Schools to represent schools.
5. One member appointed by the Chancellor of the California Community Colleges to represent community college districts in Santa Barbara County.
6. One member of the public appointed by the County BOS.
7. One member representing the employees of the Agency appointed by the Mayor from the recognized employee organization representing the largest number of former employees of the Redevelopment Agency of the City of Santa Barbara employed by the successor agency at that time.

Health and Safety section 34179(e) states that a majority of the total membership of the oversight board shall constitute a quorum for the transaction of business and is required for the oversight board to take action. Moreover, the oversight board is deemed to be a local entity for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974.

It is crucial that members selected to oversight boards understand the policy framework which governed former redevelopment agencies and now currently governs their successor agencies. Oversight Board members should also possess a strong understanding of local government finance and transactions such as those included on the Recognized Obligation Payment Schedule in order to serve effectively. The appointees recommended for appointment in the attached Resolution possess these qualifications.

Other jurisdictions are pursuing the approach of having former staff members of the Redevelopment Agency serve on their respective oversight boards. Doing so helps in maintaining consistency in light of elections that could change the composition of a City Council or Board of Supervisors. Moreover, because of the technical nature of AB 26

and the likely amendments intended to clean-up the legislation, former Agency staff may be in a better position to help keep both the successor agencies and oversight boards up to speed on any changes to the implementation and process requirements.

For these purposes, the Santa Barbara County BOS took action on February 21, 2012 to appoint County CEO Chandra L. Wallar (pursuant to Section 34179(a)(1)) as the appointee of the BOS and Assistant CEO Renee Bahl (pursuant to Section 34179(a)(3)) as the appointee of the Santa Barbara County Flood Control and Water Conservation District to serve on City of Santa Barbara's Oversight Board. The BOS has also established an *ad hoc* committee and is soliciting applications for appointees to fill the public-at-large position on the City's Board. The BOS is expected to make this appointment on April 3, 2012. The Chancellor of California Community Colleges has appointed Brian Fahnestock to serve as its appointee on the City's Oversight Board. The Santa Barbara County Superintendent of Schools has appointed Assistant Superintendent of the Santa Barbara Unified School District, Meg Jetté, to serve on the City's Oversight Board.

#### **Oversight Board Appointments of the City of Santa Barbara Successor Agency**

Based on HSC section 34179(a)(2&7), the Mayor is responsible for appointing two members to the Oversight Board of the Successor Agency of the former Redevelopment Agency of the City of Santa Barbara. The Mayor's appointment to serve on the Oversight Board is City Administrator Jim Armstrong. The Mayor has also appointed Paul Casey, Assistant City Administrator, and former Redevelopment Agency Deputy Director, to serve as the representative for the employees of the former Redevelopment Agency of the City of Santa Barbara. It is recommended that the City Council confirm the Mayor's appointments to the Oversight Board by adopting this Resolution.

#### **BUDGET/FINANCIAL INFORMATION:**

No City funds are involved with the confirmation of the Mayor's appointments of members to the Oversight Board of the Successor Agency to the former Redevelopment Agency of the City of Santa Barbara.

**PREPARED BY:** Brian J. Bosse, Housing Manager

**SUBMITTED BY:** Paul Casey, Assistant City Administrator

**APPROVED BY:** City Administrator's Office