

City of Brisbane

Agenda Report

To: City Council of the City of Brisbane, acting as the Governing Board of the Successor Agency for the former Brisbane Redevelopment Agency

From: Clay Holstine, City Manager

Date: March 19, 2012

Subject: REPORT ON OVERSIGHT BOARD APPOINTMENTS FOR SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF BRISBANE

RECOMMENDATION: Consider giving direction to the Mayor on appointments to the Oversight Board to the successor agency to the former Redevelopment Agency of the City of Brisbane and adopt Resolution No. 2012-05 ratifying those appointments

- One member appointed by the Mayor of Brisbane; and
- One member appointed by the Mayor, representing the employees of the former redevelopment agency

OVERVIEW: The California state legislature enacted Assembly Bill x1 26 ("Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law. The California Supreme Court in its decision in *California Redevelopment Association v. Matosantos*, issued December 29, 2011, declared the Dissolution Act to be constitutional. Under the Dissolution Act, all California redevelopment agencies were dissolved effective February 1, 2012, and various actions are now required by successor agencies to unwind the affairs of all former redevelopment agencies.

DISCUSSION: On January 9, 2012, pursuant to Resolution No. 2012-1, the City Council of the City of Brisbane ("City Council") elected that the City serve as the successor agency ("Successor Agency") to the Redevelopment Agency of the City of Brisbane ("Redevelopment Agency"). An oversight board (the "Oversight Board"), consisting of seven members representing the County of San Mateo, the City, and various education and special districts must be formed by May 1, 2012 to approve and direct certain actions of the City as Successor Agency.

The appointment qualifications for the seven members of the Oversight Board, set forth in Health and Safety Code Section 34179, are as follows:

- One member appointed by the county board of supervisors
- One member appointed by the Mayor.

- One member appointed by the largest eligible special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency.
- One member appointed by the county superintendent of education (if elected) or the county board of education (if the county superintendent is appointed) to represent schools.
- One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.
- One member of the public appointed by the county board of supervisors.
- One member representing the employees of the former redevelopment agency, appointed by the Mayor, from the recognized employee organization representing the largest number of employees of the former redevelopment agency employed by the successor agency at that time.

The Oversight Board's primary purpose is to review the actions of the City, as Successor Agency, in its efforts to wind-down the affairs of the former Redevelopment Agency. The Dissolution Act authorizes the Oversight Board to determine whether contracts, agreements or other arrangements between the former RDA and private parties should be terminated or renegotiated to reduce the Successor Agency's liabilities and to increase net revenue to the taxing entities. Oversight Board members have fiduciary responsibilities to both the holders of enforceable obligations and to the taxing entities (including those that they represent) that benefit from distributions of property tax and other revenue maintained by the County Auditor Controller. The actions and determinations of the Oversight Board are subject to the review and oversight of the Department of Finance and may be subject to disapproval or modification.

A majority of the total membership of the Oversight Board constitutes a quorum for the transaction of business by the Oversight Board, and a majority vote of the total membership is required for actions by the Oversight Board. The Oversight Board is deemed a local entity for the purposes of the Brown Act, the Public Records Act and the Political Reform Act of 1974.

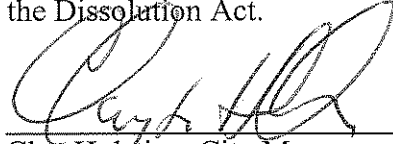
The Mayor has the power to appoint the two of the members to the Oversight Board. One of the members must represent employees that formerly performed redevelopment activities, and the other selection is at the Mayor's discretion.

It may be useful to consider the five-year term of the local oversight board when making appointments so that continuity is maintained.

In addition, the City Council, acting in its capacity as governing board of the Successor Agency, may wish to consider if outreach to the other taxing entities with appointment powers is desirable, specifically the San Mateo Free Library System.

If any of the positions on the Oversight Board are not filled by the May 1, 2012, the Governor may appoint persons to a position that remains unfilled on May 15, 2012 or remains vacant for more than 60 days.

FISCAL IMPACT: Appointment of members to the Oversight Board has no direct fiscal impact on the City General Fund. Members of the Oversight Board are not compensated or reimbursed for their services to the Oversight Board. The City, as Successor Agency, is charged with providing the staff support necessary to assist the Oversight Board perform its duties and responsibilities. The City, as Successor Agency, is required to pay for all of the costs of meetings of the Oversight Board from the administrative allowance for successor agencies set forth in the Dissolution Act.



Clay Holstine, City Manager

RESOLUTION NO. 2012-05

**A RESOLUTION OF THE CITY OF BRISBANE TO
RATIFY THE APPOINTMENT BY THE MAYOR OF THE
CITY OF BRISBANE OF TWO MEMBERS TO THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE FORMER REDEVELOPMENT AGENCY OF THE
CITY OF BRISBANE PURSUANT TO HEALTH AND
SAFETY CODE SECTION 34179**

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted ABX1 26 and ABX1 27 (respectively the "Dissolution Act" and the "Alternative Redevelopment Program Act") to significantly modify the Redevelopment Law; and

WHEREAS, on December 29, 2011, the California Supreme Court ruled that the Dissolution Act is largely constitutional and the Alternative Redevelopment Program Act is unconstitutional; and

WHEREAS, the Court's decision means that the Redevelopment Agency of the City of Brisbane ("Redevelopment Agency") dissolved on February 1, 2012 pursuant to the Dissolution Act; and

WHEREAS, the City serves as the successor agency ("Successor Agency") to the Redevelopment Agency pursuant to the Dissolution Act and Resolution No. 2012-1, adopted by the City Council of the City of Brisbane on January 9, 2012; and

WHEREAS, Section 34179(a) of the Redevelopment Law provides that the Successor Agency shall have an oversight board ("Oversight Board") and that the mayor of the city that authorized the creation of the Redevelopment Agency appoints one at-large member to the Oversight Board; and

WHEREAS, Section 342179(a) of the Redevelopment Law provides that the mayor of the city that authorized the creation of the Redevelopment Agency also appoints one member to the Oversight Board who represent employees of the former Redevelopment Agency; and

WHEREAS, after careful consideration, the Mayor of the City of Brisbane has appointed _____ as the at-large member to the Oversight Board and has appointed _____ as the representative of the employees of the former Redevelopment Agency to the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Brisbane as follows:

1. After careful consideration, the City Council hereby ratifies the appointments by the Mayor of _____ and _____ to the Oversight Board, and such appointments to be immediately effective.
2. This Resolution shall take immediate effect upon adoption.

Cliff Lentz, Mayor

I hereby certify that the foregoing Resolution No. 2012-05 was duly and regularly adopted at the regular meeting of the Brisbane City Council on March 19, 2012, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sheri Marie Spediacci, City Clerk