



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** February 14, 2012

From: Frank Robinson, Town Manager **Item No:** 14
Town Manager's Office

Subject: APPOINTMENT OF OVERSIGHT BOARD MEMBERS

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

It is recommended that the Town Council appoint two (2) members to the Oversight Board pursuant to AB 26, defined in Health & Safety Code Section 34179(a), for the purpose of governing the actions of the Successor Agency (now the Town) of the former Apple Valley Redevelopment Agency (AVRDA).

SUMMARY:

The Successor Agency shall be the transferee of all assets, properties, contracts, leases, books and records, buildings and equipment of the former AVRDA, and its pro-rata share of the Victor Valley Economic Development Authority (VVEDA), for administration purposes pursuant to Health & Safety Code §34175. The Successor Agency is charged with numerous functions including: (i) payment and retirement of enforceable obligations; (ii) disposition of assets and properties of the AVRDA as directed by the oversight board; (iii) transferring housing functions to the appropriate entity; (iv) preparing administrative budgets and payment schedules; and (v) other duties, functions, and obligations of the AVRDA. All actions of the Successor Agency shall be monitored, and in some cases, approved by an oversight board.

Each successor agency shall have, pursuant to H&SC §34179(a), an oversight board comprised of seven (7) members. One of the members shall be elected chairperson and the name of that individual shall be reported to the Department of Finance by May 1, 2012. Generally, the oversight board shall: (i) approve certain actions of the successor agency; (ii) direct the disposal of all former redevelopment agency assets and properties; (iii) cease performance and terminate all existing agreements that are not deemed enforceable obligations; and (iv) transfer the housing responsibilities to the appropriate successor housing entity. The Department of Finance may review any action of an oversight board.

Appointments to the oversight board are explicitly set forth in H&SC §34179(a) and shall be selected as follows:

- One member appointed by the County Board of Supervisors;
- **One member appointed by the Mayor of the city that formed the redevelopment agency;**
- One member appointed by the largest 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;
- One member appointed by the Chancellor of the California Community Colleges;
- One member of the public appointed by the County Board of Supervisors; and
- **One member representing the employees of the former redevelopment agency, appointed by the Mayor**

Accordingly, the Town shall appoint two (2) members to the Oversight Board.

The largest special district pursuant to H&SC §34179(a)(3) is the County of San Bernardino, and the County Board of Directors is authorized to appoint that member to the Oversight Board.

Procedurally, a majority of the total membership of the Oversight Board shall constitute a quorum for the transaction of business. A majority vote of the total membership of the Oversight Board is required to take any action. The Town finds that time is of the essence in the appointment of its Oversight Board members because of the complexity and breadth of obligations it assumed from the AVRDA. AB 26 provides that oversight boards shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188. Further, the provisions of Division 4 (commencing with Section 1000) of the Government Code shall apply to oversight boards. Section 1099 codifies the incompatible offices doctrine. Consequently, it appears the intent was to allow the Town Council or Town staff to sit on the oversight board. The Political Reform Act, Government Code 1090 and other conflict of interest rules still apply.

BACKGROUND:

AB 26 set forth “wind down” procedures, the designation of successor entities and appointment of oversight boards, along with a host of administrative regulations, including the approval of the draft Recognized Obligation Payment Schedule (ROPS) to be submitted to the County Auditor-Tax Controller’s Office, the State Controller and the State Department of Finance.

At its January 10, 2012 regular meeting, the Town Council approved Resolution No. 2012-03, electing to serve as the Successor Agency of the former AVRDA; and, at its January 17 special meeting, the Council approved Resolution No. 2012-04, electing to serve as the Housing Successor Agency in order to retain the housing assets and functions performed by the former AVRDA.

FISCAL IMPACT:

There is no direct fiscal impact is associated by this action. However, the Town will be responsible for providing the agenda and materials for the Oversight Board meetings.