

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

DISCUSSION OF REDEVELOPMENT AGENCY DISSOLUTION OVERSIGHT BOARD

Summary Statement:

ABx1 26, the Redevelopment Agency Dissolution Act, requires the creation of Oversight Boards, whose primary purpose is to play a key role in the management of the dissolution process and related activities. An Oversight Board must be created for every redevelopment agency, which means the number of Oversight Boards in the County of San Bernardino will range from 25-27 such boards depending on whether or not the Inland Valley Development Authority (IVDA) and the Victor Valley Economic Development Authority (VVEDA) will be subject to ABx1 26.

Oversight Boards will be created by the redevelopment agency's Successor Agency, the Town of Apple Valley in this case. The composition of Oversight Boards is prescribed by ABx1 26 and includes two members appointed by the Mayor, two members appointed by the County Board of Supervisors, one member by the special districts in the former redevelopment agency, one by the county school superintendent and one by the chancellor of community colleges (total of seven members). Although there will be many Oversight Boards with overlapping memberships, no individual can serve on more than five Oversight Boards.

The role of Oversight Boards will be critical to the orderly dissolution process. Successor Agencies will have prepared Enforceable Obligation Payment Schedules (EOPS) and Recognized Obligation Payment Schedules, in some cases, by the time Oversight Boards are created. The schedules will be reviewed by auditors selected by the Auditor-Controller. In addition, the Successor Agency prepares an administrative budget, including funding the activities of the Oversight Board, and submits the EOPS/ROPS and administrative budget to the Oversight Board for approval.

(Continued on next page)

Recommendation:

That the Town Council/Redevelopment Agency Board of Directors receive and file this staff report.

Proposed by: Assistant Town Manager, Economic & Community Development Item Number _____

Town Manager Approval: _____ Budgeted Item Yes No N/A

The Oversight Board is also charged with disposing of Agency assets. The proceeds of asset sales are divided among the taxing agencies proportionately. According to some quarters, the Oversight Board decides whether redevelopment agency affordable housing revenues will be returned to cities or go to housing authorities instead. From staff's perspective, the disposition of 20% set-aside housing revenues is provided for in ABx1 26, with the revenues to be swept up, and distributed by, the Auditor Controller in accord with normal property tax distributions.

Given the critically important role Oversight Boards will play in the dissolution process, it is important for the Mayor and Town Council to seriously consider the appointment process for the two members that would be representing the Town of Apple Valley as Successor Agency on the Oversight Board. The redevelopment business is highly technical, legalistic and esoteric. As such, it is important Council consider from the pool of potential appointees those individuals who are conversant in the redevelopment business so as to give the Town the best chance of managing the dissolution process to the benefit (read least harm) to the Town.

Based upon the foregoing, staff recommends adoption of the form motion.