Sunnyvale Successor Agency Oversight Board

Orientation

March 29, 2012
Agenda

- Redevelopment Legislation AB 1X26
- Successor Agency Responsibilities
- Role of Oversight Board
  - Authority
  - Responsibilities
  - Relationship To Other Agencies
- Successor Agency Administration
- Ethics and Brown Act Requirements
- Meeting Policies
AB 1X26 Redevelopment Legislation

* Effective February 1, 2012, all redevelopment agencies are dissolved. HS 34170
* Establishes Successor Agencies to administer and wind down obligations of redevelopment agencies. HS 34173
  * City of Sunnyvale elected to be Successor Agency.
* Created Oversight Board for review/approval of certain Successor Agency actions. HS 34179
* Department of Finance, State Controller and County Auditor-Controller are given specified responsibilities.
Successor Agency Responsibilities

* Continue to make enforceable obligation payments
  * Adoption of Recognized Obligation Payment Schedule
* Perform enforceable obligation requirements.
* Remit unencumbered RDA balances to county auditor-controller.
* Dispose of, or transfer ownership of, assets of former RDA
* Oversee development of RDA properties until complete or transferred.
* Develop administrative budget.
New Oversight Board Roles and Responsibilities

* Oversight Board has fiduciary responsibility to both holders of enforceable obligations and taxing entities that benefit from property tax distribution. HS 34179(h)
* Approval of proposed Successor Agency actions:
  * Recognized Obligation Payment Schedule
  * Restructuring or refinancing of loans and bonds, and the setting aside of reserve funds for such bonds or indebtedness
  * Merging of project areas
* Continuing acceptance of federal or state grants or other financial assistance where matching funds of greater than 5% is required
* Agreement with City that City will retain development properties
* Agreements between Successor Agency and City
* Pledge of property tax revenues for valid agreements between City and former RDA.
Direction by Oversight Board of Successor Agency actions:

- Dispose of all assets and properties of former RDA, except that Board may direct transfer to the City assets used for governmental purpose.
- To cease performance of and terminate existing agreements other than “enforceable obligations”.
- To transfer housing responsibilities, rights, duties and obligations of former RDA to the City, and Low and Moderate Income Funds to appropriate entity.
• To terminate any agreement between the former RDA and any public entity in the same county that obligates the former RDA to provide debt service funding

• To determine whether any contracts, agreements, or other arrangements between the RDA and private party should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities
  * May approve amendments or early termination if in the best interest of the taxing entities.
Successor Agency Administration

- The Successor Agency for Sunnyvale is the City of Sunnyvale (HS 341709j))
- The Oversight Board may direct Successor Agency staff to perform work in areas of Oversight Board responsibilities, with costs paid by the Successor Agency as part of administrative costs.
  - No compensation for Oversight Board members.
- City staff will function as Successor Agency staff and will perform work subject to state law and Municipal code.
A majority of the total membership of the Oversight Board is a quorum and a majority of total membership required to take action. HS 34179(e)

Board members shall serve without compensation or reimbursement. HS 34179(c)

Oversight Board meetings subject to Brown Act and all notices posted on City Website. HS 34179(e), (f)

Members have personal immunity from suit for actions as Board members. HS 34179(d)

Members subject to Political Reform Act and must file Form 700 with City Clerk, if not filing as City officer already.