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

* 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.

Oversight Board Meeting Policies

* 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.