

## REPORT TO SUCCESSOR AGENCY BOARD

**DATE:** FEBRUARY 22, 2012

**TO:** HONORABLE CHAIR AND MEMBERS OF THE SUCCESSOR AGENCY BOARD

**FROM:** GREG RAMIREZ, EXECUTIVE DIRECTOR

**BY:** NATHAN HAMBURGER, ASSISTANT EXECUTIVE DIRECTOR

**SUBJECT:** APPOINTMENT OF TWO MEMBERS TO SERVE ON THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY

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This report is to address an outcome of the California Supreme Court's decision in *California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861), the litigation challenging AB X1 26 ("AB 26) and AB X1 27("AB 27"). AB 26 and AB 27, which were signed by the Governor of California on June 29, 2011, added Parts 1.8 and 1.85 to the Community Redevelopment Law.

The Supreme Court largely upheld AB 26 (which provides for the windup and dissolution of redevelopment agencies), invalidated AB 27 (which provided for an alternative voluntary redevelopment program), and held that AB 26 may be severed from AB 27 and enforced independently. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 (the dissolution provisions) arising before May 1, 2012 to take effect four months later. As a result of the Supreme Court's decision, on February 1, 2012, all redevelopment agencies were dissolved, and cities do not have the option of making remittance payments to enable the continued operation of redevelopment agencies. The City is the successor agency for the Agoura Hills Redevelopment Agency.

Health and Safety Code Section 34179 provides that each successor agency to a former redevelopment agency shall have an oversight board composed of seven members. The members must elect one of their members as the chairperson and shall report the name of the chairperson and other members to the Department of Finance on or before May 1, 2012. The Governor may appoint individuals to fill any oversight board member position that has not been filled by May 15, 2012, or any member position that remains vacant for more than 60 days.

Health and Safety Code Section 34179 provides that 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 for the oversight board to take action. The oversight board shall be deemed to be a local entity for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act.

Pursuant to Health and Safety Code Section 34179, the oversight board may direct the staff of the successor agency to perform work in furtherance of the oversight board's duties and responsibilities under Part 1.85. The successor agency shall pay for all of the costs of meetings of the oversight board

and may include such costs in its administrative budget. Oversight board members shall serve without compensation or reimbursement for expenses. Oversight board members shall have personal immunity from suit for their actions taken within the scope of their responsibilities as oversight board members.

Health and Safety Code Section 34179 provides that two members of the oversight board are to be selected by the Mayor. One member does not need to meet any particular requirements. The other member representing employees of the former redevelopment agency shall be appointed by the Mayor “from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.” The remaining appointments will be made by other agencies affected by the dismemberment of the Redevelopment Agencies in the state.

Pursuant to Health and Safety Code Section 34180, certain actions of a successor agency shall first be approved by the oversight board. An example of an action that requires such approval is a request by the successor agency to enter into an agreement with the city.

Pursuant to Health and Safety Code Section 34181, the oversight board must direct the successor agency to take certain actions. For example, the oversight board must direct the successor agency to cease performance in connection with and terminate all existing agreements that do not qualify as enforceable obligations.

#### RECOMMENDATION

Staff is recommending the City Council appoint the position of Mayor to serve as one member of the Oversight Board representing the interests of the City/Successor Agency and the City Manager to serve as the representative for the previous Redevelopment Agency employees.