

MARIN COUNTY
COMMUNITY DEVELOPMENT AGENCY
BRIAN C. CRAWFORD DIRECTOR

February 14, 2012

Board of Supervisors
County of Marin,
as the Successor Agency to the Marin County Redevelopment Agency
3501 Civic Center Drive, Room 329
San Rafael, CA 94903

SUBJECT: Successor Agency to the Marin County Redevelopment Agency

Dear Supervisors:

RECOMMENDATION:

1. Accept report on the dissolution of the Marin County Redevelopment Agency (RDA) and the roles and responsibilities of the County of Marin as the Successor Agency.
2. Review and approve the Second Amended Enforceable Obligation Payment Schedule (EOPS).
3. Review and approve the Draft Recognized Obligation Payments Schedules (ROPS) for January 1 through June 30, 2012 and July 1 through December 31, 2012.
4. Authorize staff to submit the amended EOPS and Draft ROPS to the County Department of Finance, the Oversight Board, the State Controller's Office and the State Department of Finance.

SUMMARY:

On August 23, 2011 the Marin County Board of Supervisors adopted Resolutions 2011-83 and 2011-84 electing to act as the Successor Agency to the Marin County Redevelopment Agency and retain the housing assets and functions of the Redevelopment Agency. The above recommendation represents the initial action of the County of Marin, as the Successor Agency to the Marin County Redevelopment Agency. Staff will provide a briefing and overview of the responsibilities and next steps in taking over the responsibilities of the Marin County Redevelopment Agency.

BACKGROUND:

On December 29, 2011, the California Supreme Court ruled on the California Redevelopment Association (CRA) and the League of California Cities lawsuit against the State which alleged that the Restructuring Acts (ABx1 26 and 27) were unconstitutional. The Court found that the dissolution of redevelopment agencies (ABx1 26) is constitutional and the bill allowing agencies to pay a voluntary annual payment to continue redevelopment activities is unconstitutional (ABx1 27). The Court also pushed back a number of deadlines, including making the date of dissolution effective February 1, 2012. The County of Marin, acting as the Successor Agency to the Marin County RDA will now take over all redevelopment assets and liabilities.

DISCUSSION:

To preserve the limited liability protection provided under AB x1 26 (and to insulate the County from potential liability), all activities, except those related to the housing functions, will be taken as the County of Marin, as the Successor Agency for the Marin County RDA. Staffing for administration of

the Successor Agency will continue to be provided by the Community Development Agency in conjunction with the Department of Finance to insure that the County of Marin, as the Successor Agency meets all obligations and complies with State law.

As previously described, the role of the Successor Agency is to insure that enforceable obligations of the former redevelopment agency are met and to wind down other activities and dispose of any property and/or assets. More specifically, the Successor Agency is required to perform the following tasks:

- Make payments on bonds, and other legally binding and enforceable agreements or contracts;
- Prepare biannual Recognized Obligation Payment Schedules (ROPS);
- Dispose of the former RDA's assets and property;
- Wind up all other affairs of the former RDA;
- Prepare administrative budgets and pay administrative costs; and
- Work with the Oversight Board.

The Dissolution Act established Oversight Boards to supervise the activities of the Successor Agency. The Oversight Board has a fiduciary responsibility to holders of enforceable obligations and taxing entities within the project area and is required to direct the Successor Agency to evaluate whether contracts and agreements can be terminated or renegotiated to reduce liabilities and increase revenues to taxing entities. Actions of the Oversight Board are overseen by the Director of the State Department of Finance, who may modify or disapprove of the Oversight Board's actions. The Oversight Board will have seven members appointed by and representing the following:

- President of the Marin County Board of Supervisors (three members);
- County Superintendent of Education (two members);
- Chancellor of California Community Colleges (one member); and
- Marin City Community Services District (one member).

The Oversight Board is required to meet in April to select a chair and to review and approve the Recognized Obligation Payment Schedule. If any agency does not appoint a member by June 15, 2012 (or if at any time a seat remains vacant for 60 days or more) the Governor may appoint a member to the unfilled seat. Staff has notified the above entities of their right to appoint a member (or members) to the Oversight Board. There is no minimum number of meetings the Oversight Board is required to conduct annually, and Oversight Board Members serve at the will of their appointing agency. The meetings of the Oversight Board must be publicly noticed and are required to comply with the Brown Act.

The County Auditor-Controller also has a role specified in the Dissolution Act, and will be responsible for the following:

- By July 1, 2012 complete or cause to be completed, a one-time procedural audit of former RDA assets and liabilities and provide the State Controller's Office with a copy of the audit by July 15, 2012;
- Annually determine the amount of property tax increment that would have been allocated to the RDA and deposit that amount into a Redevelopment Property Tax Trust Fund; and
- Administer the Trust Fund for the benefit of the holders of former RDA debt and taxing entities that receive pass-through payments or distributions of property taxes.

The County also elected to assume the housing assets and functions of the Marin County Redevelopment Agency. This role includes oversight and monitoring of the Below Market Rate Units in the Marin City Project Area. Any actions taken on these matters will be taken at the County rather than as the Successor Agency.

There are three budget related actions before you today:


- Approve the Second Amended Enforceable Obligations Payment Schedule (EOPS) will insure that the Successor Agency is able to make any required payments. The EOPS details all payments which are due through June 30, 2012. The Second Amendment is required to address the gap that exists between February 1, 2012 (the date of dissolution) and when the Oversight Board meets and approves the Recognized Obligations Payment Schedules;
- Approve the Draft Recognized Obligation Payment Schedule (ROPS) for the period of January 1 through June 30, 2012. The Recognized Payment Schedule will act as six month budget for the successor agency and must be approved by the Oversight Board; and
- Approve the Draft ROPS for July 1 through December 31, 2012. When the Oversight Board meets in April, they will be asked to review and approve these two payment schedules at which time they will supersede the EOPS.

FISCAL IMPACT: No impact on the General Fund. All enforceable obligations, including bond payments and administrative costs to the County as the Successor Agency, will be funded through tax increment administered through the Department of Finance.

REVIEWED BY:	<input checked="" type="checkbox"/>	Department of Finance	<input type="checkbox"/>	Not Applicable
	<input checked="" type="checkbox"/>	Agency Counsel	<input type="checkbox"/>	Not Applicable
	<input type="checkbox"/>	Human Resources	<input checked="" type="checkbox"/>	Not Applicable

Respectfully submitted,


Leelee Thomas
Principal Planner


Brian Crawford
Director

Attachments:

1. Second Amended Enforceable Obligations Payment Schedule (EOPS)
2. Draft Recognized Obligations Payment Schedule (ROPS), January 1 through June 30, 2012
3. Draft Recognized Obligations Payment Schedule (ROPS), July 1 through December 31, 2012