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MARIN Oversight Board Orientation

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AB 1X 26

Feb. 1, 2012 – Redevelopment Agencies
replaced by Successor Agencies:

Non-housing

Affordable Housing Functions and
Assets

By May 1, 2012 – Oversight Boards created
to oversee Successor Agencies



AB 1X 26 cont'd

- Auditor-Controller Responsibilities
- Department of Finance Role



Key Terms

- Administrative Cost Allowance
- Enforceable Obligation
- Enforceable Obligation Payment Schedule (EOPS)
- Redevelopment Obligation Retirement Trust Fund – Successor Agency fund
- Redevelopment Property Tax Trust Fund – Auditor-Controller/County DOF



Key Terms (cont'd)

- Required Obligation Payment Schedule (ROPS)
- Successor Agency
- Tax Increment
- Low and Moderate Income Housing Fund



Successor Agency Duties

- Pay enforceable obligations
- Maintain bond reserves
- Remit unencumbered Agency funds to county auditor-controller
- Dispose of Agency assets
- Enforce Agency rights (loans, rents)
- Oversee contractual development of Agency properties



Successor Agency Duties (cont'd)

- Prepare administrative budget
- Provide staffing for OB



OB Procedures

- Need 4 members to hold meeting
- Need 4 votes to approve action
- Decisions not effective for 3 days, pending State DOF request to review
- State DOF has 10 days to approve or return for reconsideration



OB Procedures (cont'd)

- Brown Act, Public Records Act, Political Reform Act (conflicts rules) apply
 - File Form 700
- Designate chair and contact person for DOF
- Fiduciary responsibility to taxing entities
- Personal immunity



Oversight Board Authority

OB must approve before successor agency can:

- 1) establish new repayment terms for any outstanding loans
- 2) refund outstanding redevelopment agency debt to provide savings or avoid debt service spikes; SA cannot create new debt or accelerate debt payments



OB Authority (cont'd)

- 3) set aside reserves for outstanding agency bonds
- 4) merge project areas
- 5) continue accepting grants or other financial assistance if conditioned on provision of matching funds more than 5%
- 6) if SA wants to retain property for future redevelopment, must compensate other taxing entities with share of property value



OB Authority (cont'd)

7) establish ROPS – every 6 months

8) enter into an agreement with the city or county that formed the redevelopment agency

Except as specifically provided, no authority over affordable housing functions



Additional OB Authority

Direct SA to:

- dispose of former redevelopment agency assets and property that were funded by tax increment. Public facilities excepted
- cease performing on agreements that are not “enforceable obligations”



Additional OB Authority

- transfer affordable housing responsibilities and assets to appropriate entity, including \$ in Low and Moderate Income Housing Fund
- terminate any agreements between the redevelopment agency and any public entity providing funding for debt service obligations or for the construction of facilities owned and operated by the public entities if the OB determines that early termination would be in the best interest of the taxing entities



Additional OB Authority

- determine whether any contracts between the redevelopment agency and any private party should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities and present proposed termination or amendment to OB



AB 1484

- Certification by County Auditor-Controller not required for ROPS
- 3rd ROPS must be submitted by 9-1-12
- Review of balances in Low-Mod Income Housing Fund by 10-1-12, and Approved by OB by 10-15-12 (include a public session 5 days before)

