

REPORT TO MARIN COUNTYWIDE OVERSIGHT BOARD

SUBJECT		BOARD MEETING DATE	AGENDA NUMBER
ADOPT A RESOLUTION AFFIRMING THE SELECTION OF OFFICERS FOR THE MARIN COUNTYWIDE OVERSIGHT BOARD		08/31/2018	2018-01
AGENCY	MARIN COUNTY DEPARTMENT OF FINANCE		
AGENCY CONTACT	<u>Name</u> Roy Given	<u>Title</u> County Director of Finance	<u>Phone Number</u> 415-473-6177

RECOMMENDATION

1. The Marin County Department of Finance office staff will open and close nominations for the Chairperson. Votes will be cast for nominee(s) by roll call vote. The nominee receiving a majority vote will be elected Chairperson.
2. The Chairperson will then call for nominations for the election of Vice Chairperson and votes will be cast by roll call vote.
3. Adopt a resolution affirming the members selected to serve as the Chairperson and Vice Chairperson of the Marin Countywide Oversight Board (the "Oversight Board").

DISCUSSION

Pursuant to Health and Safety Code Section 34179, the Oversight Board is required to elect one member to serve as Chairperson. In addition, it is advisable, though not required, that a Vice Chairperson be elected to preside over meetings in the absence of the Chairperson.

A majority of the total membership of the Oversight Board constitutes a quorum (four members) for the transaction of business. Given the lack of a Chairperson or Vice-Chairperson, it is recommended that the Department of Finance's office staff open and close nominations to the Oversight Board for the election of Chairperson. Votes will be cast for the nominee(s) by roll call vote. The nominee receiving a majority vote will be elected as Chairperson. The Chairperson will then call for nominations for the election of a Vice-Chairperson and votes will be cast by roll call vote.

FISCAL IMPACT

No fiscal impact.



SIGNATURE

Attachment

RESOLUTION NO. 2018-01

RESOLUTION OF THE
MARIN COUNTYWIDE OVERSIGHT BOARD
AFFIRMING THE ELECTION OF CHAIRPERSON AND
VICE CHAIRPERSON OF THE OVERSIGHT BOARD.

WHEREAS, the Marin Countywide Oversight Board (the "Oversight Board") has been formed pursuant to Health and Safety Code Section 34179 to oversee the close out and winding down of the Redevelopment Agencies within Marin County by the Successor Agencies to the Redevelopment Agencies;

WHEREAS, the members of the Oversight Board in attendance at the initial meeting of the have been sworn in as public officials;

WHEREAS, during the initial meeting of the Oversight Board, the Chairperson and the Vice Chairperson have been selected by majority vote of the Oversight Board;

WHEREAS, it is anticipated that the Chairperson will preside over all meetings of the Oversight Board and that the Vice Chairperson will carry out the Chairperson's role in the event of their absence or recusal from discussion of a particular matter;

WHEREAS, any future change in the identity of the Chairperson or the Vice Chairperson shall be confirmed by majority vote of the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. The Chairperson of the Oversight Board is _____.
2. The Vice Chairperson of the Oversight Board is _____.

DULY PASSED AND ADOPTED this 31st day of August 2018, by the Oversight Board by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSE:

Chairperson
Oversight Board

ATTEST:

Secretary, Oversight Board

REPORT TO MARIN COUNTYWIDE OVERSIGHT BOARD

SUBJECT		BOARD MEETING DATE	AGENDA NUMBER
ADOPT A RESOLUTION ADOPTING BYLAWS FOR THE MARIN COUNTYWIDE OVERSIGHT BOARD		08/31/2018	2018-02
AGENCY	MARIN COUNTY DEPARTMENT OF FINANCE		
AGENCY CONTACT	<u>Name</u> Roy Given	<u>Title</u> County Director of Finance	<u>Phone Number</u> 415-473-6177

RECOMMENDATION

1. Adopt a resolution affirming the Bylaws of the Marin Countywide Oversight Board (the "Oversight Board").

DISCUSSION

The Oversight Board has been established pursuant to Health and Safety Code Section 34179 to oversee the dissolution of the Redevelopment Agencies within Marin County by their Successor Agencies.

Oversight Boards are public bodies that must conduct their business in open meetings. It is customary for elected or appointed bodies to adopt Bylaws and rules of procedures to address such subjects as meeting schedules and conduct, parliamentary procedure, internal organization and decorum.

Draft Bylaws have been prepared for the Oversight Board's consideration. It is recommended the Oversight Board adopt a Resolution approving the Bylaws. Of note, the Bylaws contain the rules and procedures and establish a regular meeting day and time for the Oversight Board.

FISCAL IMPACT

No fiscal impact.



SIGNATURE

Attachment

RESOLUTION NO. 2018-02

RESOLUTION OF THE
MARIN COUNTYWIDE OVERSIGHT BOARD
ADOPTING BYLAWS

WHEREAS, the Marin Countywide Oversight Board (the "Oversight Board") has been established to direct the Successor Agencies to the former Redevelopment Agencies within Marin County to take certain actions to wind down the affairs of said Redevelopment Agencies in accordance with the Health and Safety Code;

WHEREAS, the Oversight Board desires to adopt bylaws and regulation for the general operation of the Oversight Board, including but not limited to the designation of officers and conduct meetings.

NOW, THEREFORE, BE IT RESOLVED, by the Oversight Board, as follows;

Section 1. The Bylaws of the Oversight Board, a copy of which is attached hereto and incorporated herein as Exhibit "A", are hereby approved.

Section 2. The secretary shall certify to the adoption of this Resolution.

DULY PASSED AND ADOPTED this ____ day of August 2018, by the Oversight Board by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSE:

Chairperson
Oversight Board

ATTEST:

Secretary, Oversight Board

EXHIBIT A

BYLAWS

MARIN COUNTYWIDE OVERSIGHT BOARD FOR THE
SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF NOVATO,
SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SAN RAFAEL
AND SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE COUNTY OF MARIN

ARTICLE I – THE OVERSIGHT BOARD

Section 1. Name of the Oversight Board

The name of the Oversight Board shall be the “Marin Countywide Oversight Board” (hereinafter referred to as the “Oversight Board”).

Section 2. Purpose

The Oversight Board exists by virtue of and shall perform the duties described in the California Health and Safety Code (H&S) §§34179-34181 in connection with the winding down of the affairs of the former Redevelopment Agency of the City of Novato by the City of Novato in its capacity as the Successor Agency, the former Redevelopment Agency of the City of San Rafael by the City of San Rafael in its capacity as Successor Agency and the former Redevelopment Agency of the County of Marin by the County of Marin in its capacity as Successor Agency.

Section 3. Membership/Duration

a. Total Membership/Appointment

The total membership of the Oversight Board shall be seven (7), appointed pursuant to H&S Code §34179. The members shall serve without compensation and without reimbursement of expenses. Each member shall serve at the pleasure of the entity that appointed such member.

b. Duration

The Oversight Board shall remain established until terminated pursuant to H&S Code §34179(j)-(m).

Section 4. Local Entity

Pursuant to H&S Code §34179(e), 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 of 1974.

Section 5. Personal Immunity

Oversight Board members shall have personal immunity from suit for their actions taken within the scope of their responsibilities as members of the Oversight Board in accordance with applicable law.

Section 6. Fiduciary Responsibilities

Oversight Board members shall have fiduciary responsibilities to holders of enforceable obligations, as the term is defined in H&S Code §34171(d), and the taxing entities that benefit from distributions of

EXHIBIT A

property tax and other revenues pursuant to H&S Code §34188. Oversight Board members shall exercise independent judgment considering the interests of the community and not solely the interests of their appointing entities.

Section 7. Resignation

Any Oversight Board member may resign at any time by giving written notice to his or her appointing entity and the Chairperson, who shall forward such notice to the Marin County Department of Finance. Any such resignation will take effect upon receipt or upon any date specified therein. The acceptance of such resignation shall not be necessary to make it effective.

Section 8. Filling of Vacancies

In the event of a vacancy on the Oversight Board, the appointing entity for the vacant seat shall select a member to fill such vacancy as soon as reasonably practicable, provided, however, that the Governor may appoint individuals to fill any member position that remains vacant for more than sixty (60) days.

Section 9. Staff

The Marin County Department of Finance shall act as staff to the Oversight Board, who may direct them to perform work in furtherance of the duties and responsibilities of the Oversight Board. The Marin County Department of Finance shall keep the records of the Oversight Board. The Oversight Board may delegate ministerial functions as deemed necessary to the County Department of Finance, who may designate a county staff member to act as secretary at the meetings of the Oversight Board. The County Department of Finance shall, in consultation with the Chairperson and the Successor Agencies, prepare agendas, and shall prepare minutes of meetings of the Oversight Board, keep a record of the meetings in a journal of proceedings of the Oversight Board, and shall attest to and/or countersign all documents of the Oversight Board. The County Department of Office shall be the designated contact between the Oversight Board and the State Department of Finance (DOF), as well as other public agencies and private parties. The County Department of Finance shall provide telephone and email contact information to State DOF in accordance with H&S Code section 34179(h). The County Department of Finance shall report all Oversight Board related communications with the State DOF to the Oversight Board Chairperson and Vice Chairperson within three (3) business days.

The Oversight Board may direct the staff of the Successor Agencies, to provide additional legal or financial advice than what was given by agency staff.

The Oversight Board may engage legal counsel as may be deemed necessary.

ARTICLE II – OFFICERS

Section 1. Officers

The officers of the Oversight Board shall consist of a Chairperson and Vice Chairperson, who shall be elected in the manner set forth in this Article.

Section 2. Chairperson

The Chairperson shall preside at all meetings of the Oversight Board.

EXHIBIT A

Section 3. Vice Chairperson

The Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson. In the event of the death, resignation or removal of the Chairperson, the Vice Chairperson shall assume the Chairperson's duties until such time as the Oversight Board shall elect a new Chairperson.

Section 4. Additional Duties

The officers of the Oversight Board shall perform such other duties and functions as may from time to time be required by the Oversight Board, these Bylaws or other rules and regulations, or which duties and functions are incidental to the office held by such officers.

Section 5. Election

The Chairperson and Vice Chairperson shall be elected from among the members of the Oversight Board. Each shall then serve at the pleasure of the Board. Each officer shall hold office for a term of four years or until resignation or until his/her successor is elected and takes office.

Section 6. Vacancies

Should the office of Chairperson or Vice Chairperson become vacant, the Oversight Board shall elect a successor from among the Oversight Board members at the next regular or special meeting.

ARTICLE III – MEETINGS

Section 1. Annual Meetings

Annual meetings shall be held the fourth Monday of January of each year until such time as the Oversight Board shall cease to exist as per H&S Code §34179(m). Annual Meetings will take place at the Marin County Civic Center in San Rafael, California. At annual meetings, the Chairperson and Vice Chairperson shall be elected; and any other business may be transacted which is within the purposes of the Oversight Board. Notice of an annual meeting shall be published in a newspaper of general circulation in the territorial jurisdiction of the Successor Agencies at least once not less than ten (10) days prior to the date of the annual meeting.

Section 2. Special Meetings

Special meetings may be held upon notice of the Chairperson, or by written request of at least a majority of the members of the Oversight Board, for the purpose of transacting any business designated in the notice, after notification of all members of the Oversight Board by written notice personally delivered at least twenty-four (24) hours before the time specified in the notice for a special meeting. At such special meeting, no business other than that designated in the notice shall be considered.

Section 4. All Meetings to be Open and Public

All meetings of the Oversight Board shall be open and public to the extent required by law. All persons shall be permitted to attend any such meetings, except as otherwise provided by law.

Section 5. Posting Agendas/Notices

EXHIBIT A

Except where additional notice is required for specific actions as stated in Health & Safety Code 34181(f), concerning proposed disposal of certain assets and properties or the transfer of certain housing assets, the secretary, or his/her authorized representative, shall post an agenda for each regular Oversight Board meeting or a notice for each special Oversight Board meeting containing a brief description of each item of business to be transacted or discussed at the meeting together with the time and location of the meeting. Agendas/notices shall be posted at the Marin County Civic Center, San Rafael, California (a location readily accessible to the public) at least seventy-two (72) hours in advance of each regular meeting and at least twenty-four (24) hours in advance of each special meeting. All agendas and notices required by law for proposed actions by the Oversight Board shall also be posted on the Oversight Board's internet website. With the approval and cooperation of additional agencies, notices shall also be posted with the Marin County Clerk and County Office of Education, and/or such other agencies as may be approved from time to time.

Section 6. Right of Public to Appear and Speak

At every regular meeting, members of the public shall have an opportunity to address the Oversight Board on matters within the Oversight Board subject matter jurisdiction. Public input and comment on matters on the agenda, as well as public input and comment on matters not otherwise on the agenda, shall be made during the time set aside for public comment; provided, however, that the Oversight Board may direct that public input and comment on matters on the agenda be heard when the matter regularly comes upon the agenda. The time allotted for public discussion for each individual speaker shall be three (3) minutes, unless more or less time is allocated by the Oversight Board.

Section 7. Non-Agenda Items

Matters brought before the Oversight Board at a regular meeting, which were not placed on the agenda of the meeting, shall not be acted upon by the Oversight Board at that meeting unless action on such matters is permissible pursuant to the Ralph M. Brown Act (Gov. Code § 54950 et seq.).

Section 8. Quorum

The powers of the Oversight Board shall be vested in the members thereof in office from time to time. A majority of the total membership of the Oversight Board shall constitute a quorum for the purpose of conducting the business of the Oversight Board, exercising its powers and for all other purposes, but less than that number may adjourn the meeting from time to time until a quorum is obtained. An affirmative vote by a majority (4) of the total membership (7) of the Oversight Board shall be required for approval of any matters brought before the Oversight Board.

Section 9. Order of Business

All business and matters of the Oversight Board shall be transacted in conformance with Robert's Rules of Order Newly Revised and any additional procedural rules adopted by resolution by the Oversight Board.

Section 10. Minutes

Minutes of the meetings of the Oversight Board shall be prepared in writing by the secretary. Copies of the minutes of each Oversight Board meeting shall be made available to each member of the Oversight Board, to the County Department of Finance and the Successor Agencies. Approved minutes shall be filed in the official book of minutes of the Oversight Board.

EXHIBIT A

ARTICLE IV – CONFLICT OF INTEREST

The Oversight Board shall adopt and maintain a conflict of interest policy by resolution.

ARTICLE V – REPRESENTATION BEFORE PUBLIC BODIES

Any official representations on behalf of the Oversight Board before the Successor Agencies, the County Department of Finance Office, the State Controller, State DOF, or any other public body shall be made by the County Department of Finance following direction from the Oversight Board by majority vote.

ARTICLE VI – AMENDMENTS

These Bylaws may be amended upon an affirmative vote by a majority of the total membership of the Oversight Board, but no such amendment shall be adopted unless at least seven (7) days written notice thereof has previously been given to all members of the Oversight Board. Notice of the amendment shall identify the section or sections of these Bylaws proposed to be amended. The Successor Agency shall be notified of any amendments to these Bylaws.

CERTIFICATION OF THE SECRETARY

I, the undersigned, do hereby certify:

- (1) That I am the duly elected and acting Secretary of the Countywide Oversight Board of the Successor Agency to the Former Redevelopment Agency of the City of Novato; Successor Agency to the Former Redevelopment Agency of the City of San Rafael; Successor Agency to the Former Redevelopment Agency of the County of Marin; and
- (2) That the foregoing Bylaws comprising five (5) pages, constitute the Bylaws of such Countywide Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Novato; Successor Agency to the Former Redevelopment Agency of the City of San Rafael; Successor Agency to the Former Redevelopment Agency of the County of Marin as adopted by the members at a duly constituted meeting held on _____ 2018.

IN WITNESS, WHEREOF, I have hereunto subscribed my name, this ___ day of _____, 2018.

_____, Secretary

REPORT TO MARIN COUNTYWIDE OVERSIGHT BOARD

SUBJECT		BOARD MEETING DATE	AGENDA NUMBER
ADOPT A RESOLUTION ADOPTING A CONFLICT OF INTEREST CODE FOR THE MARIN COUNTYWIDE OVERSIGHT BOARD		08/31/2018	2018-03
AGENCY	MARIN COUNTY DEPARTMENT OF FINANCE		
AGENCY CONTACT	<u>Name</u> Roy Given	<u>Title</u> County Director of Finance	<u>Phone Number</u> 415-473-6177

RECOMMENDATION

1. Adopt a resolution affirming the Conflict of Interest Code for the Marin Countywide Oversight Board (the "Oversight Board").

DISCUSSION

The Oversight Board was created as separate legal entity and is subject to compliance with the Political Reform Act pursuant of Health and Safety Code section 34179(e).

This Act and the regulations issued by the Fair Political Practices Commission (FPPC) requires each local agency to adopt a Conflict of Interest Code to establish which agency officials, employees and consultants are required to file Statements of Economic Interests (FPPC Form 700).

The FPPC has adopted a regulation, 2 California Code of Regulations section 18730, which contains the terms of a standard model conflict of interest code, which can be incorporated by reference, and which may be amended by the FPPC after public notice and hearings to conform to amendments to the Political Reform Act.

By adopting this Resolution and its attachments, the Oversight Board will identify the individuals and the reporting required to comply with the Political Reform Act.

FISCAL IMPACT

The County Clerk of the Board may incur additional time and expense in performing duties as the filing officer for the Oversight Board. The dollar amount of that expense is not anticipated to be significant and cannot be accurately estimated at this time. It is however, reimbursable from the Redevelopment Property Tax Trust Fund (RPTTF), pursuant to Health and Safety Code Section 34183.



SIGNATURE

Attachment

RESOLUTION NO. 2018-03

RESOLUTION OF THE
MARIN COUNTYWIDE OVERSIGHT BOARD
ADOPTING A CONFLICT OF INTEREST CODE

WHEREAS, the Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes;

WHEREAS, the MARIN Countywide Oversight Board (the "Oversight Board") is organized pursuant to Chapter 4 (commencing with Section 34179) of Part 1.85 of Division 24 of the Health and Safety Code, and is subject to the requirements of the Political Reform Act;

WHEREAS, the Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations, Section 18730, which contains the terms of a standard conflict of interest code;

WHEREAS, this standard code may be incorporated by reference, and if the terms of the regulation are substituted for the terms of a conflict of interest code already in effect, the adopted regulation shall constitute an amendment of the conflict of interest code;

WHEREAS, the Oversight Board desires to adopt a Conflict of Interest Code to comply with the Political Reform Act.

NOW THEREFORE BE IT RESOLVED, by the Oversight Board:

Section 1. Section 18730 of Title 2 of the California Code of Regulations, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby adopted and incorporated by reference as the Conflict of Interest Code for the Oversight Board. This Regulation and Attachment A to this Resolution, in which members and employees are designated and disclosure categories are set forth and explained, shall constitute the Conflict of Interest Code of the MARIN Countywide Oversight Board.

Section 2. Members and employees designated in Attachment A hereto shall file statements of economic interests (Form 700) with the MARIN County Clerk of the Board pursuant to this Resolution. The Secretary of the Oversight Board shall retain a copy of all statements of economic interests and make them available for public inspection and reproduction.

DULY PASSED AND ADOPTED this ___ day of August 31, 2018, by the MARIN Countywide Oversight Board by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSE:

Attachment A

**CONFLICT OF INTEREST CODE OF THE MARIN COUNTYWIDE OVERSIGHT BOARD FOR THE
SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF NOVATO,
SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SAN RAFAEL
AND SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE COUNTY OF MARIN**

SECTION 100. Appendix 1 and Appendix 2 which designates officials, employees and consultants and sets forth disclosure categories, constitute the Conflict of Interest Code of the Marin Countywide Oversight Board.

SECTION 200. Designated Board Members, employees, and consultants shall file statements of economic interests pursuant to the provisions of this Conflict of Interest Code.

SECTION 300. Designated Board Members, employees, and consultants shall file their statements of economic interests with the Marin County Clerk of the Board to whom the Board hereby delegates the authority to carry out the duties of filing officer.

SECTION 400. Notwithstanding the provisions of 2 California Code of Regulations section 18730, subdivision (b)(5)(C), all designated employees shall file their annual statements of economic interests no later than April 30 of each calendar year.

SECTION 500. Every person who is required to file a statement of economic interests with the Clerk shall prepare the statement using an electronic system prescribed by the Clerk, provided that the Clerk has prescribed such a system at least sixty (60) days before the statement is due. If no system has been prescribed at least sixty (60) days before the statement is due, then the filer shall prepare the statement in a format suitable for electronic scanning. Regardless of the means of preparing the statement, one original statement shall be filed with the Clerk.

SECTION 600. The Legal Counsel for the Board shall make the initial determination as to whether individuals are consultants, as defined in 2 Cal. Code Reg. § 18701. An individual may be a consultant whether he or she is compensated or is an unpaid volunteer. The requirements of this Conflict of Interest Code shall be included in the agreement which is entered into between the Board and the consultant.

SECTION 700. Any filer required to disqualify himself or herself shall give notice of disqualification to the Clerk. Such notice shall be in writing and shall be made part of the official records of the Clerk. The filer shall then refrain from participation and shall attempt in no way to use his or her official position to influence any other person with respect to the matter.

SECTION 800. Upon request, any filer who is unsure of any right or obligation arising under this Conflict of Interest Code may request a formal opinion or letter of advice from the Legal Counsel for the Board. If an opinion is rendered by the Legal Counsel stating in full the facts and the law upon which the opinion is based, compliance by the filer may be evidence of good faith in any civil or criminal proceeding brought pursuant to the Political Reform Act of 1974 or this Conflict of Interest Code. The filer's good

Attachment A

faith compliance with the opinion of the Legal Counsel shall also act as a complete defense to any disciplinary action that the Board may bring under Government Code Section 91003.5 or this Conflict of Interest Code.

SECTION 900. Any Board Member who fails to timely file a required statement of economic interests is subject to fine in accordance with the provisions of the Political Reform Act of 1974, together with any other penal or remedial measure authorized by that Act. Where the Board Member's failure to file persists for more than fifteen days (15) days after the final filing date, the Clerk will forthwith notify the member that he/she is disqualified from any participation in meetings or other activities of the Board, until the Board Member both files the required statement of economic interests and pays any fines associated with the failure to file. If the Board Member's failure to file and/or pay the associated fine persists for more than thirty (30) days after the final filing date, the Board Member may be removed from the Board.

SECTION 1000. Designated Oversight Board employees and consultants violating any provision of this Conflict of Interest Code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000 – 91014.

SECTION 1100. Notwithstanding the provisions of 2 California Code of Regulations section 18734, any individual hired for a position not yet covered by the Conflict of Interest Code in which the individual serves in a position that makes or participates in making governmental decisions is required to file a Form 700 under the broadest disclosure category until the code is amended to include the new position unless the Legal Counsel has provided a limited disclosure requirement in writing.

Attachment A

APPENDIX 1

MARIN COUNTYWIDE OVERSIGHT BOARD CONFLICT OF INTEREST CODE

DESIGNATED POSITIONS

The following is a listing of those classifications/positions that are required to submit a Statement of Economic Interests form:

Department	Classification	Disclosure Category
Oversight Board Member	Appointed members	1-4
Alternate to Oversight Board Member	Appointed members	1-4
Oversight Board Legal Counsel	Contractor	1-4
Consultants	Contractor	*

* As determined by Oversight Board Legal Counsel

APPENDIX 2

OVERSIGHT BOARD FOR REDEVELOPMENT SUCCESSOR AGENCY
CONFLICT OF INTEREST CODE

DISCLOSURE CATEGORIES

No.	Description
1	All investments from sources located in or doing business in the County of Marin.
2	All business positions in business entities from sources located in or doing business in the County of Marin.
3	All sources of income from sources located in or doing business in the County of Marin.
4	All interests in real property in the boundaries of the County of Marin and within two miles of the County boundaries.

REPORT TO MARIN COUNTYWIDE OVERSIGHT BOARD

SUBJECT		BOARD MEETING DATE	AGENDA NUMBER
ADOPT A RESOLUTION APPROVING AGREEMENT FOR LEGAL SERVICES FOR THE MARIN COUNTYWIDE OVERSIGHT BOARD		08/31/2018	2018-04
AGENCY	MARIN COUNTY DEPARTMENT OF FINANCE		
AGENCY CONTACT	<u>Name</u> Sandra Kacharos	<u>Title</u> Tax Division Chief, Dept of Finance	<u>Phone Number</u> 415-473-6177

RECOMMENDATION

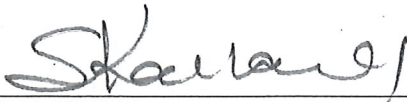
Adopt a resolution approving an agreement with the County of Marin to provide professional legal services to the Marin Countywide Oversight Board (the "Oversight Board").

DISCUSSION

The Oversight Board is required to follow the Brown Act, the Political Reform Act and the Public Records Act. In addition, the Oversight Board must carry out its obligations pursuant to Health and Safety Code §§ 34179-34181. Legal counsel will provide oversight of Board operations and actions to ensure that all legal requirements are met.

FISCAL IMPACT

Costs associated with the official business of the Oversight Board are reimbursable from the Redevelopment Property Tax Trust Fund (RPTTF), pursuant to Health and Safety Code Section 34183. Expenses not to exceed \$15,000 during the term of the agreement, unless authorized by the Board, or authorized by both the Board Chair and the County Director of Finance.



SIGNATURE

Attachment

RESOLUTION NO. 2018-04

RESOLUTION OF THE MARIN COUNTYWIDE OVERSIGHT BOARD
TO APPROVE THE PROFESSIONAL SERVICES AGREEMENT WITH

FOR LEGAL SERVICES

WHEREAS, the Marin Countywide Oversight Board (“Oversight Board”) was created under Section 34179(j) of the Health and Safety Code, to provide oversight to the Successor Agency of the former Redevelopment Agency of the City of Novato, the Successor Agency of the former Redevelopment Agency of the City of San Rafael and the Successor Agency of the former Redevelopment Agency of the County of Marin (“Successor Agencies”) within Marin County;

WHEREAS, the Oversight Board has specific duties to approve and direct certain actions of these Successor Agencies in the expeditious wind down of the affairs of the former redevelopment agencies;

WHEREAS, the Oversight Board desires to retain independent counsel to provide professional legal services to the Oversight Board with respect to issues within its jurisdiction.

NOW, THEREFORE, BE IT RESOLVED, that the Marin Countywide Oversight Board approves the attached Professional Services Agreement with_____.

DULY PASSED AND ADOPTED this _____ day of August 2018, by the Oversight Board by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSE:

Chairperson
Oversight Board

ATTEST:

Secretary, Oversight Board

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN MARIN COUNTYWIDE OVERSIGHT BOARD AND**

**FOR LEGAL SERVICES
(Pertaining to Redevelopment Agency Dissolution)**

This agreement is between the MARIN Countywide Oversight Board (BOARD) and the County of Marin, Office of County Counsel (COUNSEL) (collectively, the "Parties" and individually a "Party") for the purpose of providing legal services to the BOARD relating to its responsibilities arising out of Health and Safety Code section 34179 et seq.

1. RESPONSIBILITIES OF LEGAL COUNSEL.

During the term of this agreement, COUNSEL shall attend meetings and shall provide legal services to the BOARD concerning matters pertaining to the dissolution of redevelopment agencies in Marin County, and the BOARD'S responsibilities under Health and Safety Code section 34179 et seq., as may be requested by the BOARD or the Marin County Department of Finance, or their designees, acting in their capacity as staff to the BOARD.

2. RESPONSIBILITIES OF BOARD.

BOARD shall pay COUNSEL for services rendered as set forth in provisions 3 and 4 of this Agreement.

3. COMPENSATION.

COUNSEL shall be paid the hourly rate of Two Hundred Twenty Seven dollars (\$227.00) per hour through June 30, 2019, and to Two Hundred Thirty Four dollars (\$234.00) beginning July 1, 2019 for performing the duties described in this Agreement. COUNSEL shall also be

reimbursed for actual photocopying and long-distance telephone call expenses associated with performing the duties described in this agreement. Total compensation and reimbursement paid to COUNSEL shall not exceed the sum of \$15,000 during the entire term of this agreement, including any extension thereof as provided in provision 5, except where, at the written request of either the BOARD, or both the Board Chair and the Marin County Director of Finance, compensation in excess of \$15,000 is necessary for COUNSEL to adequately provide legal representation for the scope of work described herein.

4. **BILLING AND PAYMENT.**

For services rendered COUNSEL shall submit a statement of services at the end of each calendar quarter for services rendered for the prior quarter. The statement should be sent to Marin Countywide Oversight Board in care of the Marin County Department of Finance, Tax Division at 3501 Civic Center Drive, Room 225, San Rafael, California 94903. BOARD shall make payment within forty-five (45) days of receipt of COUNSEL's correct and approved statement.

5. **TERM OF AGREEMENT.**

This agreement shall commence August 31, 2018 and end June 30, 2019. The term shall be automatically renewed for three additional 1-year terms at the end of the initial term, unless the agreement is terminated in accordance with provision 6.

6. **TERMINATION OF AGREEMENT.**

A. The BOARD may discharge COUNSEL at any time by written notice to COUNSEL from the BOARD. Unless specifically agreed by COUNSEL and the BOARD,

COUNSEL will provide no further legal services and advance no further costs on behalf of the BOARD after receipt of written notice of discharge.

B. COUNSEL may withdraw from this agreement for good cause by providing written notice to the BOARD.

C. BOARD may terminate this agreement immediately upon oral notice to COUNSEL should funding cease or be materially decreased.

D. Notwithstanding COUNSEL's withdrawal or the BOARD's discharge of COUNSEL, BOARD shall pay COUNSEL for all services completed and expenses incurred as of the effective date of any notice of termination.

7. **ENTIRE AGREEMENT; MODIFICATION; HEADINGS.**

This agreement supersedes all previous agreements and constitutes the entire understanding of the parties hereto concerning the herein described work scope. COUNSEL shall be entitled to no other benefits other than those specified herein. No changes, amendments, or alterations shall be effective unless in writing and signed by both parties. COUNSEL specifically acknowledges that in entering into and executing this agreement, COUNSEL relies solely upon the provisions contained in this agreement and no others. The headings that appear in this agreement are for reference purposes only and shall not affect the meaning or construction of this agreement.

8. **NON-ASSIGNMENT OF AGREEMENT.**

Inasmuch as this agreement is intended to secure the specialized services of COUNSEL,

COUNSEL may not assign, transfer, or delegate any interest herein without the prior written consent of BOARD. The waiver by BOARD or COUNSEL of any breach of this agreement shall not be deemed to be a waiver of any other breach.

9. EMPLOYMENT STATUS.

COUNSEL shall, during the entire term of this agreement, be construed to be an independent contractor and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow BOARD to exercise discretion or control over the professional manner in which COUNSEL performs the services which are the subject matter of this agreement. The services to be provided by COUNSEL shall be provided in a manner consistent with the professional standards applicable to such services.

10. INDEMNIFICATION.

To the fullest extent permitted by law, BOARD shall indemnify and hold harmless COUNSEL, their staff, agents, and volunteers against all claims, suits, actions, costs, expenses, damages, judgments, or decrees arising from the work or the provision of services undertaken pursuant to this agreement by COUNSEL, or any person employed or contracted by COUNSEL, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of COUNSEL or any person employed or contracted by COUNSEL.

11. INSURANCE COVERAGE.

A. COUNSEL or any person employed or contracted by COUNSEL shall obtain liability insurance, from an insurance carrier authorized to transact business in the State of California, and maintain continuously during the term of this agreement Commercial General Liability Insurance, including coverage for owned and non-owned automobiles with limits of liability of not less than \$1 million combined single limit bodily injury and property damage.

B. COUNSEL and any person(s) employed or contracted by COUNSEL shall obtain and maintain continuously Workers' Compensation and Employer's Liability Insurance to cover COUNSEL, and any person(s) employed or contracted by COUNSEL. COUNSEL hereby certifies that COUNSEL is aware of the provisions of section 3700 of the Labor Code, which requires every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and COUNSEL will comply with such provisions before commencing the performance of the work of this agreement.

C. COUNSEL shall obtain and maintain continuously a policy of Errors and Omissions coverage with limits of liability of not less than \$1 million.

12. **NON-DISCRIMINATION.**

A. COUNSEL shall observe and comply with all applicable present and future federal laws, state laws, local laws, codes, rules, regulations, and/or orders that relate to the work or services to be provided pursuant to this agreement.

B. COUNSEL shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS) physical or mental disability, use of family care leave under either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.

C. COUNSEL represents that COUNSEL is in compliance with and agrees that COUNSEL shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101, et seq.), the Fair Employment and Housing Act (Government Code sections 12900, et seq.), and regulations and guidelines issued pursuant thereto.

13. NOTICES.

Except as provided in section 6.D. of this Agreement (oral notice of termination due to insufficient funding), any notices required or permitted pursuant to the terms and provisions of this agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing. Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail, postage prepaid, two days after the date of mailing.

If to BOARD:

Marin Countywide Oversight Board
c/o Marin County Department of Finance
3501 Civic Center Drive, Room 225
San Rafael, CA 94903.

If to COUNSEL:

County of Marin
Office of County Counsel
3501 Civic Center Drive
San Rafael, CA 94903

Notice shall be deemed to be effective two days after mailing.

14. SEVERABILITY.

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or County ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

15. PERFORMANCE STANDARDS.

COUNSEL shall perform the work or services required by this agreement in accordance

with the industry and/or professional standards applicable to COUNSEL 's work or services.

16. LICENSES AND PERMITS.

COUNSEL and all employees and/or agents of COUNSEL performing the work or services required by this agreement, shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the County of Marin, and all other appropriate governmental agencies, including any certification and credentials required by BOARD to provide the services agree to herein. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this agreement and constitutes grounds for the termination of this agreement by BOARD.

IN WITNESS WHEREOF, BOARD and COUNSEL have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this agreement and to bind the Party on whose behalf his/her execution is made.

MARIN COUNTYWIDE OVERSIGHT BOARD

Date: _____, Chairman

ATTEST:

Clerk of the Board

COUNSEL

Date: _____



State of California
DEPARTMENT OF FINANCE

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Redevelopment Agency Dissolution

Welcome to the Department of Finance's (Finance) Redevelopment Agency (RDA) Dissolution webpage. This site will serve as the primary conduit for Finance to share information related to the redevelopment dissolution legislation and communicate with Successor Agencies (SAs), who are responsible for overseeing the winding down at the local level, and County Auditors-Controllers, who are charged with property tax distribution. Please visit this website frequently as information is regularly updated.

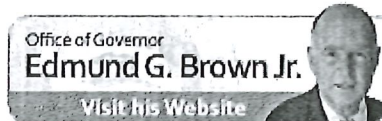
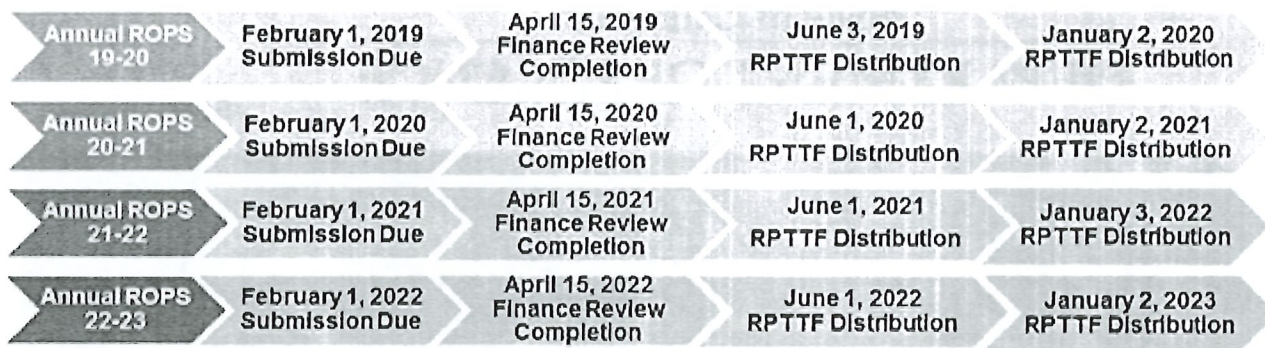
Background

As part of the 2011 Budget Act, and in order to protect funding for core public services at the local level, the Legislature approved the dissolution of the state's 400 plus RDAs. After a period of litigation, RDAs were officially dissolved as of February 1, 2012. As a result of the elimination of the RDAs, property tax revenues are now being used to pay required payments on existing bonds, other obligations, and pass-through payments to local governments. The remaining property tax revenues that exceed the enforceable obligations are now being allocated to cities, counties, special districts, and school and community college districts, thereby providing critical resources to preserve core public services.

To help facilitate the wind-down process at the local level, SAs were established to manage redevelopment projects currently underway, make payments on enforceable obligations, and dispose of redevelopment assets and properties. Each Successor Agency has an Oversight Board (OB) that supervises its work. The OB is comprised of representatives of the local agencies that serve the redevelopment project area: the city, county, special districts, and K-14 educational agencies. Oversight Board members have a fiduciary responsibility to holders of enforceable obligations, as well as to the local agencies that would benefit from property tax distributions from the former redevelopment project area.

Finance is responsible for implementation of the RDA dissolution statutes, (AB)x1 26, AB 1484, AB 471, and SB 107, and oversees the winding-down of the SAs.

Upcoming Activities



[RAD Links](#) [What's New](#) [Contact Us](#)

- Redevelopment Agency Dissolution
- Recognized Obligation Payment Schedules
- Meet and Confer
- Final and Conclusive Enforceable Obligation Determination
- Successor Agency Dissolution Information
- Finding of Completion
- Long-Range Property Management Plan
- Low and Moderate Income Housing Fund and Other Assets Due Diligence Reviews
- Housing Assets Information
- Countywide Oversight Boards
- Property Tax Residual Distribution to Affected Taxing Entities
- Prior Period Adjustments
- County Auditor-Controller Reporting Forms
- Legislation
- Common RDA Dissolution Questions and Answers

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**Countywide Oversight Board
Frequently Asked Questions**

GENERAL

Question 1: When is the deadline for creating a Countywide Oversight Board (Countywide OB) and when would it become effective?

Response: Countywide Oversight Boards shall be in operation as of July 1, 2018. In order to meet this deadline, the County Auditor-Controller (CAC) should inform the Department of Finance (Finance), prior to July 1, 2018 of the newly-created Countywide OB, its members and who are the main contacts of the OB.

Question 2: We are planning to create a Countywide OB by July 1, 2018. Do we need to submit anything to Finance?

Response: There is no statutory requirement to submit anything to Finance for the creation of the new board, unless the Countywide OB will be staffed by a City within the County. According to Health and Safety Code (HSC) section 34179 (j), the CAC may select a City within the County to staff the Countywide OB, but only after consulting with Finance.

Finance is requesting the Form be completed for informational purposes. In order to inform Finance in an efficient manner, please fill out the Form and submit that completed form to the Redevelopment inbox at RedevelopmentAdministration@dof.ca.gov

Question 3: There are lots of agencies within one county. Do we all have to be governed by one Countywide OB?

Response: Pursuant to HSC section 34179 (q), in a county where more than 40 OBs were created, there shall be five Countywide OB's. The boundaries of the five Countywide OBs shall correspond to the boundaries of the five county boards of supervisors districts, and each Countywide OB shall have jurisdiction over all the Agencies within its boundaries. On the Form, you will need to delineate which existing Agencies will be overseen by each of the five newly created Countywide OB's. For counties with fewer than 40 OBs, there can be no more than one Countywide OB.

Question 4: What happens to the current OB?

Response: The current OB of each Agency will dissolve and will no longer have bearing on Agency actions.

Question 5: Does the current OB have to have one more meeting to approve?

Response: As of July 1, 2018, Finance can only recognize the new OB. If the current OB needs to take action, it will need to do so before July 1, 2018.

Question 6: If the CAC takes over the administrative function for the OB, will we also be given a RAD App login username and password so we can upload the ROPS and resolutions for the Agency? If so, when will we receive that information?

Response: The Agency will continue to be responsible for the RAD App login and username. If the CAC takes over the administrative function for the OB, the login can be obtained from the individual Agency.

Question 7: What will happen if a Countywide OB is not created by July 1, 2018?

Response: Without a Countywide OB, the actions of the Agency ROPS (or other OB required approved actions) will not be able to be approved and cannot be submitted to Finance without OB approval.

Question 8: We are the only Agency in our county, is it necessary for us to submit a form and/or create a Countywide OB?

Response: No, according to HSC section 34179 (l), in each county where there is only one OB, then there will be no change to the composition of that OB. However, Finance still requests the Countywide Oversight Board Information Form for informational purposes.

Question 9: Now that the Countywide Oversight Board is created, what are our responsibilities?

Response: The creation of the Countywide OB will not change the responsibilities of the OB as outlined in HSC section 34179.

Question 10: Our Countywide OB will oversee more than one Agency, can we submit more than one Oversight Board Action at a time?

Response: No, HSC section 34179 (h) provides that notification regarding such actions be provided in a manner specified by Finance. Therefore, approved OB resolutions, that have been signed, must be emailed individually (one resolution with supporting documents per email) to Finance and in PDF format unless otherwise specified. Additionally, the subject line should be clear as to what is being submitted and what the resolution is approving (Please include the Agency name, Resolution number, and a brief description of the action).

Please be advised that submitting board meeting minutes will not be accepted as an approved OB action. Only OB resolutions that have been approved and signed by the OB and emailed individually to Finance (in PDF format) will be considered for Finance's review. Once a signed resolution is received in the proper format, Finance will initiate its review of the OB resolution. Please note: Finance does not accept electronic signatures for OB resolutions.

Pursuant to HSC section 34179 (h) (1), oversight boards are not required to submit the following OB actions to Finance for approval: meeting minutes and agendas, administrative budgets, changes in OB membership, transfers of governmental use, or future development property pursuant to an approved Long-Range Property Management Plan (LRPMP). Furthermore, HSC section 34191.5 (f) states actions to implement the disposition of property pursuant to an approved LRPMP shall not require Finance's review.

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DIVISION 24. COMMUNITY DEVELOPMENT AND HOUSING [33000 - 37964]

(Heading of Division 24 amended by Stats. 1975, Ch. 1137.)

PART 1.85. DISSOLUTION OF REDEVELOPMENT AGENCIES AND DESIGNATION OF SUCCESSOR AGENCIES [34170 - 34191.6]

(Part 1.85 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

CHAPTER 4. Oversight Boards [34179 - 34181]

(Chapter 4 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

34179.

(a) Each successor agency shall have an oversight board composed of seven members. The members shall 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. Members shall be selected as follows:

(1) One member appointed by the county board of supervisors.

(2) One member appointed by the mayor for the city that formed the redevelopment agency.

(3) (A) One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is of the type of special district that is eligible to receive property tax revenues pursuant to Section 34188.

(B) On or after the effective date of this subparagraph, the county auditor-controller may determine which is the largest special district for purposes of this section.

(4) One member appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public appointed by the county board of supervisors.

(7) One member representing the employees of the former redevelopment agency appointed by the mayor or chair of the board of supervisors, as the case may be, from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time. In the case where city or county employees performed administrative duties of the former redevelopment agency, the appointment shall be made from the recognized employee organization representing those employees. If a recognized employee organization does not exist for either the employees of the former redevelopment agency or the city or county employees performing administrative duties of the former redevelopment agency, the appointment shall be made from among the employees of the successor agency. In voting to approve a contract as an enforceable obligation, a member appointed pursuant to this paragraph shall not be deemed to be interested in the contract by virtue of being an employee of the successor agency or community for purposes of Section 1090 of the Government Code.

(8) If the county or a joint powers agency formed the redevelopment agency, then the largest city by acreage in the territorial jurisdiction of the former redevelopment agency may select one member. If there are no cities with territory in a project area of the redevelopment agency, the county superintendent of education may appoint an additional member to represent the public.

(9) If there are no special districts of the type that are eligible to receive property tax pursuant to Section 34188, within the territorial jurisdiction of the former redevelopment agency, then the county may appoint one member to represent the public.

(10) If a redevelopment agency was formed by an entity that is both a charter city and a county, the oversight board shall be composed of seven members selected as follows: three members appointed by the mayor of the city, if that appointment is subject to confirmation by the county board of supervisors, one member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is the type of special district that is eligible to receive property tax revenues pursuant to Section 34188, one member appointed by the county superintendent of education to represent schools, one member appointed by the Chancellor of the California Community Colleges to represent community college districts, and one member representing employees of the former redevelopment agency appointed by the mayor of the city if that appointment is subject to confirmation by the county board of supervisors, to

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CHAPTER 4. Oversight Boards [34179 - 34181]

(Chapter 4 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

represent the largest number of former redevelopment agency employees employed by the successor agency at that time.

(11) Each appointing authority identified in this subdivision may, but is not required to, appoint alternate representatives to serve on the oversight board as may be necessary to attend any meeting of the oversight board in the event that the appointing authority's primary representative is unable to attend any meeting for any reason. If an alternate representative attends any meeting in place of the primary representative, the alternate representative shall have the same participatory and voting rights as all other attending members of the oversight board.

(b) The Governor may appoint individuals to fill any oversight board member position described in subdivision (a) that has not been filled by May 15, 2012, or any member position that remains vacant for more than 60 days.

(c) The oversight board may direct the staff of the successor agency to perform work in furtherance of the oversight board's and the successor agency's duties and responsibilities under this part. 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.

(d) Oversight board members are protected by the immunities applicable to public entities and public employees governed by Part 1 (commencing with Section 810) and Part 2 (commencing with Section 814) of Division 3.6 of Title 1 of the Government Code.

(e) 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 of 1974. All actions taken by the oversight board shall be adopted by resolution.

(f) All notices required by law for proposed oversight board actions shall also be posted on the successor agency's Internet Web site or the oversight board's Internet Web site.

(g) Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.

(h) (1) The department may review an oversight board action taken pursuant to this part. Written notice and information about all actions taken by an oversight board shall be provided to the department as an approved resolution by electronic means and in a manner of the department's choosing. Without abrogating the department's authority to review all matters related to the Recognized Obligation Payment Schedule pursuant to Section 34177, oversight boards are not required to submit the following oversight board actions for department approval:

(A) Meeting minutes and agendas.

(B) Administrative budgets.

(C) Changes in oversight board members, or the selection of an oversight board chair or vice chair.

(D) Transfers of governmental property pursuant to an approved long-range property management plan.

(E) Transfers of property to be retained by the sponsoring entity for future development pursuant to an approved long-range property management plan.

(2) An oversight board action submitted in a manner specified by the department shall become effective five business days after submission, unless the department requests a review of the action. Each oversight board shall designate an official to whom the department may make those requests and who shall provide the department with the telephone number and e-mail contact information for the purpose of communicating with the department pursuant to this subdivision. Except as otherwise provided in this part, in the event that the department requests a review of a given oversight board action, it shall have 40 days from the date of its request to approve the oversight board action or return it to the oversight board for reconsideration and the oversight board action shall not be effective until approved by the department. In the event that the department returns the oversight board action to the oversight board for reconsideration, the oversight board shall resubmit the modified action for department approval and the modified oversight board action shall not become effective until approved by the department. If the department reviews a Recognized Obligation Payment Schedule, the department may eliminate or modify any item on that schedule prior to its approval. The county auditor-controller shall reflect the actions of the department in determining the

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CHAPTER 4. Oversight Boards [34179 - 34181]

(Chapter 4 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

amount of property tax revenues to allocate to the successor agency. The department shall provide notice to the successor agency and the county auditor-controller as to the reasons for its actions. To the extent that an oversight board continues to dispute a determination with the department, one or more future Recognized Obligation Payment Schedules may reflect any resolution of that dispute. The department may also agree to an amendment to a Recognized Obligation Payment Schedule to reflect a resolution of a disputed item; however, this shall not affect a past allocation of property tax or create a liability for any affected taxing entity.

(i) Oversight boards shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188. Further, the provisions of Division 4 (commencing with Section 1000) of the Government Code shall apply to oversight boards. Notwithstanding Section 1099 of the Government Code, or any other law, any individual may simultaneously be appointed to up to five oversight boards and may hold an office in a city, county, city and county, special district, school district, or community college district.

(j) Except as specified in subdivision (q), commencing on and after July 1, 2018, in each county where more than one oversight board was created by operation of the act adding this part, there shall be only one oversight board, which shall be staffed by the county auditor-controller, by another county entity selected by the county auditor-controller, or by a city within the county that the county auditor-controller may select after consulting with the department. Pursuant to Section 34183, the county auditor-controller may recover directly from the Redevelopment Property Tax Trust Fund, and distribute to the appropriate city or county entity, reimbursement for all costs incurred by it or by the city or county pursuant to this subdivision, which shall include any associated startup costs. However, if only one successor agency exists within the county, the county auditor-controller may designate the successor agency to staff the oversight board. The oversight board is appointed as follows:

(1) One member may be appointed by the county board of supervisors.

(2) One member may be appointed by the city selection committee established pursuant to Section 50270 of the Government Code. In a city and county, the mayor may appoint one member.

(3) One member may be appointed by the independent special district selection committee established pursuant to Section 56332 of the Government Code, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188.

(4) One member may be appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member may be appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public may be appointed by the county board of supervisors.

(7) One member may be appointed by the recognized employee organization representing the largest number of successor agency employees in the county.

(k) The Governor may appoint individuals to fill any oversight board member position described in subdivision (j) that has not been filled by July 15, 2018, or any member position that remains vacant for more than 60 days.

(l) Commencing on and after July 1, 2018, in each county where only one oversight board was created by operation of the act adding this part, then there will be no change to the composition of that oversight board as a result of the operation of subdivision (j).

(m) Any oversight board for a given successor agency, with the exception of countywide oversight boards, shall cease to exist when the successor agency has been formally dissolved pursuant to Section 34187. A county oversight board shall cease to exist when all successor agencies subject to its oversight have been formally dissolved pursuant to Section 34187.

(n) An oversight board may direct a successor agency to provide additional legal or financial advice than what was given by agency staff.

(o) An oversight board is authorized to contract with the county or other public or private agencies for administrative support.

(p) On matters within the purview of the oversight board, decisions made by the oversight board supersede those made by the successor agency or the staff of the successor agency.

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CHAPTER 4. Oversight Boards [34179 - 34181]

(Chapter 4 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

(q) (1) Commencing on and after July 1, 2018, in each county where more than 40 oversight boards were created by operation of the act adding this part, there shall be five oversight boards, which shall each be staffed in the same manner as specified in subdivision (j). The membership of each oversight board shall be as specified in paragraphs (1) through (7), inclusive, of subdivision (j).

(2) The oversight boards shall be numbered one through five, and their respective jurisdictions shall encompass the territory located within the respective borders of the first through fifth county board of supervisors districts, as those borders existed on July 1, 2018. Except as specified in paragraph (3), each oversight board shall have jurisdiction over each successor agency located within its borders.

(3) If a successor agency has territory located within more than one county board of supervisors' district, the county board of supervisors shall, no later than July 15, 2018, determine which oversight board shall have jurisdiction over that successor agency. The county board of supervisors or their designee shall report this information to the successor agency and the department by the aforementioned date.

(4) The successor agency to the former redevelopment agency created by a county where more than 40 oversight boards were created by operation of the act adding this part, shall be under the jurisdiction of the oversight board with the fewest successor agencies under its jurisdiction.

(Amended by Stats. 2015, Ch. 325, Sec. 11. (SB 107) Effective September 22, 2015.)

34179.5.

(a) In furtherance of subdivision (d) of Section 34177, each successor agency shall employ a licensed accountant, approved by the county auditor-controller and with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities. As an alternative, an audit provided by the county auditor-controller that provides the information required by this section may be used to comply with this section with the concurrence of the oversight board.

(b) For purposes of this section the following terms shall have the following meanings:

(1) "Cash" and "cash equivalents" includes, but is not limited to, cash in hand, bank deposits, Local Agency Investment Fund deposits, deposits in the city or county treasury or any other pool, marketable securities, commercial paper, United States Treasury bills, banker's acceptances, payables on demand and amounts due from other parties as defined in subdivision (c), and any other money owned by the successor agency.

(2) "Enforceable obligation" includes any of the items listed in subdivision (d) of Section 34171, contracts detailing specific work to be performed that were entered into by the former redevelopment agency prior to June 28, 2011, with a third party that is other than the city, county, or city and county that created the former redevelopment agency, and indebtedness obligations as defined in subdivision (e) of Section 34171.

(3) "Transferred" means the transmission of money to another party that is not in payment for goods or services or an investment or where the payment is de minimus. Transfer also means where the payments are ultimately merely a restriction on the use of the money.

(c) At a minimum, the review required by this section shall include the following:

(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010-11 and 2011-12 fiscal years that reconciles balances, assets, and

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CHAPTER 4. Oversight Boards [34179 - 34181]

(Chapter 4 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.

(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:

(A) A statement of the total value of each fund as of June 30, 2012.

(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

(Added by Stats. 2012, Ch. 26, Sec. 17. (AB 1484) Effective June 27, 2012.)

34179.6.

The review required pursuant to Section 34179.5 shall be submitted to the oversight board for review. The successor agency shall submit a copy of the Recognized Obligation Payment Schedule to the county administrative officer, the county auditor-controller, and the Department of Finance at the same time that the successor agency submits the review to the oversight board for review.

(a) By October 1, 2012, each successor agency shall provide to the oversight board, the county auditor-controller, the Controller, and the Department of Finance the results of the review conducted pursuant to Section 34179.5 for the Low and Moderate Income Housing Fund and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities. By December 15, 2012, each successor agency shall provide to the oversight board, the county auditor-controller, the Controller, and the department the results of the review conducted pursuant to Section 34179.5 for all of the other fund and account balances and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities. The department may request

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(Chapter 4 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

any supporting documentation and review results to assist in its review under subdivision (d). The department may specify the form and manner information about the review shall be provided to it.

(b) Upon receipt of the review, the oversight board shall convene a public comment session to take place at least five business days before the oversight board holds the approval vote specified in subdivision (c). The oversight board also shall consider any opinions offered by the county auditor-controller on the review results submitted by the successor agencies.

(c) By October 15, 2012, for the Low and Moderate Income Housing Fund and by January 15, 2013, for all other funds and accounts, the oversight board shall review, approve, and transmit to the department and the county auditor-controller the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Section 34179.5. The oversight board may adjust any amount provided in the review to reflect additional information and analysis. The review and approval shall occur in public sessions. The oversight board may request from the successor agency any materials it deems necessary to assist in its review and approval of the determination. The oversight board shall be empowered to authorize a successor agency to retain assets or funds identified in subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision (c) of Section 34179.5. An oversight board that makes that authorization also shall identify to the department the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained. The determination and authorization to retain funds and assets shall be subject to the review and approval of the department pursuant to subdivision (d).

(d) The department may adjust any amount associated with the determination of the resulting amount described in paragraph (6) of subdivision (c) of Section 34179.5 based on its analysis and information provided by the successor agency and others. The department shall consider any findings or opinions of the county auditor-controllers and the Controller. The department shall complete its review of the determinations provided pursuant to subdivision (c) no later than November 9, 2012, for the Low and Moderate Income Housing Fund and also shall notify the oversight board and the successor agency of its decision to overturn any decision of the oversight board to authorize a successor agency to retain assets or funds made pursuant to subdivision (c). The department shall complete its review of the determinations provided pursuant to subdivision (c) no later than April 1, 2013, for the other funds and accounts and also shall notify the oversight board and the successor agency of its decision to overturn any oversight board authorizations made pursuant to subdivision (c). The department shall provide the oversight board and the successor agency an explanation of its basis for overturning or modifying any findings, determinations, or authorizations of the oversight board made pursuant to subdivision (c).

(e) The successor agency and the entity or entities that created the former redevelopment agency may request to meet and confer with the department to resolve any disputes regarding the amounts or sources of funds identified as determined by the department. The request shall be made within five business days of the transmission, and no later than November 16, 2012, for the determination regarding the Low and Moderate Income Housing Fund, to the successor agency or the designated local authority of the department's determination, decisions, and explanations and shall be accompanied by an explanation and documentation of the basis of the dispute. The department shall meet and confer with the requesting party and modify its determinations and decisions accordingly. The department shall either confirm or modify its determinations and decisions within 30 days of the request to meet and confer.

(f) Each successor agency shall transmit to the county auditor-controller the amount of funds required pursuant to the determination of the department within five working days of receipt of the notification under subdivision (c) or (e) if a meet and confer request is made. Successor agencies shall make diligent efforts to recover any money determined to have been transferred without an enforceable obligation as described in paragraphs (2) and (3) of subdivision (c) of Section 34179.5. The department shall notify the county auditor-controllers of its actions and the county auditor-controllers shall disburse the funds received from successor agencies to taxing entities pursuant to Section 34188 within five working days of receipt. Amounts received after November 28, 2012, and April 10, 2013, may be held and disbursed with the regular payments to taxing entities pursuant to Section 34183.

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(Chapter 4 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

(g) By December 1, 2012, the county auditor-controller shall provide the department a report specifying the amount submitted by each successor agency pursuant to subdivision (d) for low- and moderate-income housing funds, and specifically noting those successor agencies that failed to remit the full required amount. By April 20, 2013, the county auditor-controller shall provide the department a report detailing the amount submitted by each successor agency pursuant to subdivision (d) for all other funds and accounts, and specifically noting those successor agencies that failed to remit the full required amount.

(h) If a successor agency fails to remit to the county auditor-controller the sums identified in subdivisions (d) and (f), by the deadlines specified in those subdivisions, the following remedies are available:

(1) (A) If the successor agency cannot promptly recover the funds that have been transferred to another public agency without an enforceable obligation as described in paragraphs (2) and (3) of subdivision (c) of Section 34179.5, the funds may be recovered through an offset of sales and use tax or property tax allocations to the local agency to which the funds were transferred. To recover such funds, the Department of Finance may order the State Board of Equalization to make an offset pursuant to subdivision (a) of Section 34179.8. If the Department of Finance does not order a sales tax offset, the county auditor-controller may reduce the property tax allocations to any local agency in the county that fails to repay funds pursuant to subdivision (c) of Section 34179.8.

(B) The county auditor-controller and the department shall each have the authority to demand the return of funds improperly spent or transferred to a private person or other private entity. If funds are not repaid within 60 days, they may be recovered through any lawful means of collection and are subject to a ten percent penalty plus interest at the rate charged for late personal income tax payments from the date the improper payment was made to the date the money is repaid.

(C) If the city, county, or city and county that created the former redevelopment agency is also performing the duties of the successor agency, the Department of Finance may order an offset to the distribution provided to the sales and use tax revenue to that agency pursuant to subdivision (a) of Section 34179.8. This offset shall be equal to the amount the successor fails to remit pursuant to subdivision (f). If the Department of Finance does not order a sales tax offset, the county auditor-controller may reduce the property tax allocations of the city, county, or city and county that created the former redevelopment agency pursuant to subdivision (c) of Section 34179.8.

(D) The department and the county auditor-controller shall coordinate their actions undertaken pursuant to this paragraph.

(2) Alternatively or in addition to the remedies provided in paragraph (1), the department may direct the county auditor-controller to deduct the unpaid amount from future allocations of property tax to the successor agency under Section 34183 until the amount of payment required pursuant to subdivision (d) is accomplished.

(3) If the Department of Finance determines that payment of the full amount required under subdivision (d) is not currently feasible or would jeopardize the ability of the successor agency to pay enforceable obligations in a timely manner, it may agree to an installment payment plan.

(i) (1) If a legal action contesting a withholding effectuated by the State Board of Equalization pursuant to subparagraphs (B), (C), or (B) and (C) of paragraph (2) of subdivision (b) of Section 34183.5 is successful and results in a final judicial determination, the court shall order the state to pay to the prevailing party a penalty equal to a percentage of the amount of funds found by the court to be improperly withheld, as provided in Section 34179.8. This percentage shall be equivalent to the number of months the funds have been found by the court to be improperly withheld, not to exceed 10 percent.

(2) If a legal action contesting an offset effectuated by the State Board of Equalization or the county auditor-controller pursuant to subdivision (h) is successful and results in a final judicial determination, the court shall order the state or the county auditor-controller to pay to the prevailing party a penalty equal to 10 percent of the amount of funds found by the court to be improperly offset, as provided in Section 34179.8.

(j) If a legal challenge to invalidate any provision in subdivision (h) or subparagraph (B) or (C), or subparagraphs (B) and (C) of paragraph (2) of subdivision (b) of Section 34183.5 is successful and results in a final judicial determination, the invalidated provision shall become inoperative and subdivision (i) shall become inoperative with respect to the invalidated provision.

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(Chapter 4 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

(Added by Stats. 2012, Ch. 26, Sec. 18. (AB 1484) Effective June 27, 2012.)

34179.7.

Upon full payment of the amounts determined in subdivision (d) or (e) of Section 34179.6 as reported by the county auditor-controller pursuant to subdivision (g) of Section 34179.6 and of any amounts due as determined by Section 34183.5, or upon a final judicial determination of the amounts due and confirmation that those amounts have been paid by the county auditor-controller, or upon entering into a written installment payment plan with the department for payment of the amounts due, the department shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency.

(a) Notwithstanding any other of law, if a successor agency fails by December 31, 2015, to pay, or to enter into a written installment payment plan with the department for the payment of, the amounts determined in subdivision (d) or (e) of Section 34179.6, or the amounts determined by Section 34183.5, the successor agency shall never receive a finding of completion.

(b) If a successor agency, city, county, or city and county pays, or enters into a written installment payment plan with the department for the payment of the amounts determined in subdivision (d) or (e) of Section 34179.6 or the amounts determined by Section 34183.5, and the successor agency, city, county, or city and county subsequently receives a final judicial determination that reduces or eliminates the amounts determined, an enforceable obligation for the reimbursement of the excess amounts paid shall be created and the obligation to make any payments in excess of the amount determined by a final judicial determination shall be canceled and be of no further force or effect.

(c) If, upon consultation with the county auditor-controller, the department finds that a successor agency, city, county, or city and county has failed to fully make one or more payments agreed to in the written installment payment plan, the following shall occur unless the county auditor-controller reports within 10 business days that the successor agency, city, county, or city and county has made the entirety of the incomplete payment or payments:

(1) Section 34191.3, subdivision (b) of Section 34191.4, and Section 34191.5 shall not apply to the successor agency.

(2) Oversight board actions taken under subdivision (b) of Section 34191.4 shall no longer be effective. Any loan agreements entered into between the redevelopment agency and the city, county, or city and county that created the redevelopment agency that were deemed enforceable obligations pursuant to such oversight board actions shall no longer be enforceable obligations.

(3) If the department has approved a long-range property management plan for the successor agency, that plan shall no longer be effective. Any property that has not been disposed of through the plan prior to the nonpayment discussed in this subdivision shall be disposed of pursuant to Section 34181.

(4) If applicable, the successor agency's Last and Final Recognized Obligation Payment Schedule shall cease to be effective. However, to ensure the flow of lawful payments to third parties is not impeded, the Last and Final Recognized Obligation Payment Schedule shall remain operative until the successor agency's next Recognized Obligation Payment Schedule is approved and becomes operative pursuant to Section 34177.

(d) Subdivision (c) shall not be construed to prevent the department from working with a successor agency, city, county, or city and county to amend the terms of a written installment payment plan if the department determines the amendments are necessitated by the successor agency's, city's, county's, or city and county's fiscal situation.

(Amended by Stats. 2015, Ch. 325, Sec. 12. (SB 107) Effective September 22, 2015.)

34179.8.

(a) If an offset or withholding of sales and use tax is ordered by the Department of Finance pursuant to this part, the State Board of Equalization shall reduce the distribution of sales and use taxes collected under Chapter 1 (commencing with Section 7200) of Part 1.5 of Division 2 of the Revenue

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(Chapter 4 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

and Taxation Code to the entity that is the subject of the offset or withholding and shall direct the Controller to issue a warrant in the amount of any offset pursuant to subdivision (h) of Section 34179.6 to the county auditor-controller. The county auditor-controller shall distribute this amount to the taxing entities for the former redevelopment area according to Section 34188.

(b) (1) If a court has issued a final judicial determination or the department determines that some or all of the amount collected through the offset of sales and use tax has been paid by another means and no additional amount is owed, the court or the department shall notify the State Board of Equalization of that determination. Upon notification, the State Board of Equalization shall reverse the relevant amount of sales and use tax offset, add any penalty payable under subdivision (i) of Section 34179.6, and adjust the next distribution of sales and use tax to the affected local entity by reducing the allocation of tax to the General Fund and increasing the distribution to the local entity by that sum.

(2) The board shall inform the Controller of the reversal of the offset of sales and use tax undertaken pursuant to paragraph (1). The Controller shall send a demand for payment to the county auditor-controller for the amount of the offset reversal, excluding any penalty amount determined by the court pursuant to subdivision (i) of Section 34179.6 to be applicable to the offset. The auditor-controller shall reduce allocations to taxing entities in the next distributions under Section 34188 until the amount of the reversed offset is recovered and shall pay such recovered amounts to the State Controller for deposit in the General Fund.

(c) (1) If an offset of property tax is ordered by the county auditor-controller pursuant to this part, the auditor-controller shall reduce the distribution of property taxes to the entity that is the subject of the offset and shall distribute the amount to the taxing entities for the former redevelopment area according to Section 34188.

(2) If a court has issued a final judicial determination or the department determines that some or all of the amount collected through the offset made pursuant to paragraph (1) has been paid by another means and no additional amount is owed, the court or the department shall notify the county auditor-controller of that determination. Upon notification, the county auditor-controller shall reverse the relevant amount of property tax revenues offset in the next distribution of property tax to the affected local entity by reducing the allocation of tax to the taxing entities of the former redevelopment area under Section 34188 and increasing the distribution of property taxes to the local entity that was subject to the offset.

(Added by Stats. 2012, Ch. 26, Sec. 20. (AB 1484) Effective June 27, 2012.)

34179.9.

(a) The city, county, or city and county that created the former redevelopment agency shall return to the successor agency all assets transferred to the city, county, or city and county ordered returned pursuant to Section 34167.5.

(b) (1) The city, county, or city and county that created the former redevelopment agency shall return to the successor agency all cash and cash equivalents transferred to the city, county, or city and county that were not required by an enforceable obligation as determined pursuant to Sections 34179.5 and 34179.6.

(2) Any amounts required to be returned to the successor agency under Sections 34179.5 and 34179.6, and paragraph (1) of this subdivision, that were transferred to the city, county, or city and county that created the former redevelopment agency as repayment for an advance of funds made by the city, county, or city and county to the former redevelopment agency or successor agency that was needed to pay the former redevelopment agency's debt service or passthrough payments may be placed on a Recognized Obligation Payment Schedule by the successor agency for payment as an enforceable obligation subject to the following conditions:

(A) The transfer to the city, county, or city and county by the former redevelopment agency or successor agency as repayment for the advance of funds occurred within 30 days of receipt of a duly scheduled property tax distribution to the former redevelopment agency by the county auditor-controller.

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(Chapter 4 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

(B) The loan from the city, county, or city and county was necessary because the former redevelopment agency or successor agency had insufficient funds to pay for the former redevelopment agency's debt service or passthrough payments.

(3) Paragraph (2) shall not apply if:

(A) The former redevelopment agency had insufficient funds as a result of an unauthorized transfer of cash or cash equivalents to the city, county, or city and county that created the former redevelopment agency.

(B) The successor agency has received a finding of completion as of the effective date of the act that added this section.

(C) The successor agency, the city, county, or city and county that created the former redevelopment agency, or the successor agency's oversight board, is currently or was previously a party to outstanding litigation contesting the department's determination under subdivision (d) or (e) of Section 34179.6.

(c) The city, county, or city and county that created the former redevelopment agency shall return to the successor agency any money or assets transferred to the city, county, or city and county by the successor agency that were not authorized pursuant to an effective oversight board action or Recognized Obligation Payment Schedule determination.

(Added by Stats. 2015, Ch. 325, Sec. 13. (SB 107) Effective September 22, 2015.)

34180.

All of the following successor agency actions shall first be approved by the oversight board:

(a) The establishment of new repayment terms for outstanding loans where the terms have not been specified prior to the date of this part. An oversight board shall not have the authority to reestablish loan agreements between the successor agency and the city, county, or city and county that formed the redevelopment agency except as provided in Chapter 9 (commencing with Section 34191.1).

(b) The issuance of bonds or other indebtedness or the pledge or agreement for the pledge of property tax revenues (formerly tax increment prior to the effective date of this part) pursuant to subdivision (a) of Section 34177.5:

(c) Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(d) Merging of project areas.

(e) Continuing the acceptance of federal or state grants, or other forms of financial assistance from either public or private sources, if that assistance is conditioned upon the provision of matching funds, by the successor entity as successor to the former redevelopment agency, in an amount greater than 5 percent:

(f) (1) If a city, county, or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained.

(2) If no other agreement is reached on valuation of the retained assets, the value will be the fair market value as of the 2011 property tax lien date as determined by an independent appraiser approved by the oversight board.

(g) Establishment of the Recognized Obligation Payment Schedule.

(h) A request by the successor agency to enter or reenter into an agreement with the city, county, or city and county that formed the redevelopment agency that it is succeeding pursuant to Section 34178. An oversight board shall not have the authority to reestablish loan agreements between the successor agency and the city, county, or city and county that formed the redevelopment agency except as provided in Chapter 9 (commencing with Section 34191.1). Any actions to establish or reestablish any other agreements that are authorized under this part, with the city, county, or city and county that formed the redevelopment agency are invalid until they are included in an approved and valid Recognized Obligation Payment Schedule.

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(Chapter 4 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

(i) A request by a successor agency or taxing entity to pledge, or to enter into an agreement for the pledge of, property tax revenues pursuant to subdivision (b) of Section 34178.

(j) Any document submitted by a successor agency to an oversight board for approval by any provision of this part shall also be submitted to the county administrative officer, the county auditor-controller, and the Department of Finance at the same time that the successor agency submits the document to the oversight board.

(Amended by Stats. 2015, Ch. 325, Sec. 14. (SB 107) Effective September 22, 2015.)

34181.

The oversight board shall direct the successor agency to do all of the following:

(a) (1) Dispose of all assets and properties of the former redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking, and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. Any compensation to be provided to the successor agency for the transfer of the asset shall be governed by the agreements relating to the construction or use of that asset. Disposal shall be done expeditiously and in a manner aimed at maximizing value. Asset disposition may be accomplished by a distribution of income to taxing entities proportionate to their property tax share from one or more properties that may be transferred to a public or private agency for management pursuant to the direction of the oversight board.

(2) "Parking facilities and lots dedicated solely to public parking" do not include properties that generate revenues in excess of reasonable maintenance costs of the properties.

(b) Cease performance in connection with and terminate all existing agreements that do not qualify as enforceable obligations.

(c) Transfer housing assets pursuant to Section 34176.

(d) Terminate any agreement, between the dissolved redevelopment agency and any public entity located in the same county, obligating the redevelopment agency to provide funding for any debt service obligations of the public entity or for the construction, or operation of facilities owned or operated by such public entity, in any instance where the oversight board has found that early termination would be in the best interests of the taxing entities.

(e) Determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the oversight board for its approval. The board may approve any amendments to or early termination of those agreements if it finds that amendments or early termination would be in the best interests of the taxing entities.

(f) All actions taken pursuant to subdivisions (a) and (c) shall be approved by resolution of the oversight board at a public meeting after at least 10 days' notice to the public of the specific proposed actions. The actions shall be subject to review by the department pursuant to Section 34179 except that the department may extend its review period by up to 60 days. If the department does not object to an action subject to this section, and if no action challenging an action is commenced within 60 days of the approval of the action by the oversight board, the action of the oversight board shall be considered final and can be relied upon as conclusive by any person. If an action is brought to challenge an action involving title to or an interest in real property, a notice of pendency of action shall be recorded by the claimant as provided in Title 4.5 (commencing with Section 405) of Part 2 of the Code of Civil Procedure within a 60-day period.

(Amended by Stats. 2015, Ch. 325, Sec. 15. (SB 107) Effective September 22, 2015.)

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DIVISION 24. COMMUNITY DEVELOPMENT AND HOUSING [33000 - 37964]

(Heading of Division 24 amended by Stats. 1975, Ch. 1137.)

PART 1.85. DISSOLUTION OF REDEVELOPMENT AGENCIES AND DESIGNATION OF SUCCESSOR AGENCIES [34170 - 34191.6]

(Part 1.85 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

CHAPTER 3. Successor Agencies [34177 - 34178.7]

(Chapter 3 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

34177.

Successor agencies are required to do all of the following:

(a) Continue to make payments due for enforceable obligations.

(1) On and after February 1, 2012, and until a Recognized Obligation Payment Schedule becomes operative, only payments required pursuant to an enforceable obligations payment schedule shall be made. The initial enforceable obligation payment schedule shall be the last schedule adopted by the redevelopment agency under Section 34169. However, payments associated with obligations excluded from the definition of enforceable obligations by paragraph (2) of subdivision (d) of Section 34171 shall be excluded from the enforceable obligations payment schedule and be removed from the last schedule adopted by the redevelopment agency under Section 34169 prior to the successor agency adopting it as its enforceable obligations payment schedule pursuant to this subdivision. The enforceable obligation payment schedule may be amended by the successor agency at any public meeting and shall be subject to the approval of the oversight board as soon as the board has sufficient members to form a quorum. In recognition of the fact that the timing of the California Supreme Court's ruling in the case California Redevelopment Association v. Matosantos (2011) 53 Cal.4th 231 delayed the preparation by successor agencies and the approval by oversight boards of the January 1, 2012, through June 30, 2012, Recognized Obligation Payment Schedule, a successor agency may amend the Enforceable Obligation Payment Schedule to authorize the continued payment of enforceable obligations until the time that the January 1, 2012, through June 30, 2012, Recognized Obligation Payment Schedule has been approved by the oversight board and by the department. The successor agency may utilize reasonable estimates and projections to support payment amounts for enforceable obligations if the successor agency submits appropriate supporting documentation of the basis for the estimate or projection to the Department of Finance and the auditor-controller.

(2) The department, the county auditor-controller, and the Controller shall each have the authority to require any documents associated with the enforceable obligations to be provided to them in a manner of their choosing. Any taxing entity, the department, and the Controller shall each have standing to file a judicial action to prevent a violation under this part and to obtain injunctive or other appropriate relief.

(3) Commencing on the date the Recognized Obligation Payment Schedule is valid pursuant to subdivision (1), only those payments listed in the Recognized Obligation Payment Schedule may be made by the successor agency from the funds specified in the Recognized Obligation Payment Schedule. In addition, after it becomes valid, the Recognized Obligation Payment Schedule shall supersede the Statement of Indebtedness, which shall no longer be prepared nor have any effect under the Community Redevelopment Law (Part 1 (commencing with Section 33000)).

(4) Nothing in the act adding this part is to be construed as preventing a successor agency, with the prior approval of the oversight board, as described in Section 34179, from making payments for enforceable obligations from sources other than those listed in the Recognized Obligation Payment Schedule.

(5) From February 1, 2012, to July 1, 2012, a successor agency shall have no authority and is hereby prohibited from accelerating payment or making any lump-sum payments that are intended to prepay loans unless such accelerated repayments were required prior to the effective date of this part.

(b) Maintain reserves in the amount required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(c) Perform obligations required pursuant to any enforceable obligation.

(d) Remit unencumbered balances of redevelopment agency funds to the county auditor-controller for distribution to the taxing entities, including, but not limited to, the unencumbered balance of the

CHAPTER 3. Successor Agencies [34177 - 34178.7]

(Chapter 3 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

Low and Moderate Income Housing Fund of a former redevelopment agency. In making the distribution, the county auditor-controller shall utilize the same methodology for allocation and distribution of property tax revenues provided in Section 34188.

(e) Dispose of assets and properties of the former redevelopment agency as directed by the oversight board; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of certain assets pursuant to subdivision (a) of Section 34181. The disposal is to be done expeditiously and in a manner aimed at maximizing value. Proceeds from asset sales and related funds that are no longer needed for approved development projects or to otherwise wind down the affairs of the agency, each as determined by the oversight board, shall be transferred to the county auditor-controller for distribution as property tax proceeds under Section 34188. The requirements of this subdivision shall not apply to a successor agency that has been issued a finding of completion by the department pursuant to Section 34179.7.

(f) Enforce all former redevelopment agency rights for the benefit of the taxing entities, including, but not limited to, continuing to collect loans, rents, and other revenues that were due to the redevelopment agency.

(g) Effectuate transfer of housing functions and assets to the appropriate entity designated pursuant to Section 34176.

(h) Expeditiously wind down the affairs of the redevelopment agency pursuant to the provisions of this part and in accordance with the direction of the oversight board.

(i) Continue to oversee development of properties until the contracted work has been completed or the contractual obligations of the former redevelopment agency can be transferred to other parties. Bond proceeds shall be used for the purposes for which bonds were sold unless the purposes can no longer be achieved, in which case, the proceeds may be used to defease the bonds.

(j) Prepare a proposed administrative budget and submit it to the oversight board for its approval. The proposed administrative budget shall include all of the following:

(1) Estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period.

(2) Proposed sources of payment for the costs identified in paragraph (1).

(3) Proposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity.

(k) Provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the county auditor-controller for each six-month fiscal period.

(l) (1) Before each fiscal period set forth in subdivision (m) or (o), as applicable, prepare a Recognized Obligation Payment Schedule in accordance with the requirements of this paragraph. For each recognized obligation, the Recognized Obligation Payment Schedule shall identify one or more of the following sources of payment:

(A) Low and Moderate Income Housing Fund.

(B) Bond proceeds.

(C) Reserve balances.

(D) Administrative cost allowance.

(E) The Redevelopment Property Tax Trust Fund, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of this part.

(F) Other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former redevelopment agency, as approved by the oversight board in accordance with this part.

(2) A Recognized Obligation Payment Schedule shall not be deemed valid unless all of the following conditions have been met:

(A) A Recognized Obligation Payment Schedule is prepared by the successor agency for the enforceable obligations of the former redevelopment agency. The initial schedule shall project the dates and amounts of scheduled payments for each enforceable obligation for the remainder of the time period during which the redevelopment agency would have been authorized to obligate property tax increment had the redevelopment agency not been dissolved.

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(Chapter 3 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

(B) The Recognized Obligation Payment Schedule is submitted to and duly approved by the oversight board. The successor agency shall submit a copy of the Recognized Obligation Payment Schedule to the county administrative officer, the county auditor-controller, and the department at the same time that the successor agency submits the Recognized Obligation Payment Schedule to the oversight board for approval.

(C) A copy of the approved Recognized Obligation Payment Schedule is submitted to the county auditor-controller, the Controller's office, and the Department of Finance, and is posted on the successor agency's Internet Web site.

(3) The Recognized Obligation Payment Schedule shall be forward looking to the next six months or one year pursuant to subdivision (m) or (o), as applicable. The first Recognized Obligation Payment Schedule shall be submitted to the Controller's office and the department by April 15, 2012, for the period of January 1, 2012, to June 30, 2012, inclusive. This Recognized Obligation Payment Schedule shall include all payments made by the former redevelopment agency between January 1, 2012, through January 31, 2012, and shall include all payments proposed to be made by the successor agency from February 1, 2012, through June 30, 2012. Former redevelopment agency enforceable obligation payments due, and reasonable or necessary administrative costs due or incurred, prior to January 1, 2012, shall be made from property tax revenues received in the spring of 2011 property tax distribution, and from other revenues and balances transferred to the successor agency.

(m) (1) The Recognized Obligation Payment Schedule for the period of January 1, 2013, to June 30, 2013, shall be submitted by the successor agency, after approval by the oversight board, no later than September 1, 2012. Commencing with the Recognized Obligation Payment Schedule covering the period July 1, 2013, through December 31, 2013, successor agencies shall submit an oversight board-approved Recognized Obligation Payment Schedule to the department and to the county auditor-controller no fewer than 90 days before the date of property tax distribution. The department shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than 45 days after the Recognized Obligation Payment Schedule is submitted. Within five business days of the department's determination, a successor agency may request additional review by the department and an opportunity to meet and confer on disputed items, except for those items which are the subject of litigation disputing the department's previous or related determination. The meet and confer period may vary; an untimely submittal of a Recognized Obligation Payment Schedule may result in a meet and confer period of less than 30 days. The department shall notify the successor agency and the county auditor-controllers as to the outcome of its review at least 15 days before the date of property tax distribution.

(A) The successor agency shall submit a copy of the Recognized Obligation Payment Schedule to the department electronically, and the successor agency shall complete the Recognized Obligation Payment Schedule in the manner provided for by the department. A successor agency shall be in noncompliance with this paragraph if it only submits to the department an electronic message or a letter stating that the oversight board has approved a Recognized Obligation Payment Schedule.

(B) If a successor agency does not submit a Recognized Obligation Payment Schedule by the deadlines provided in this subdivision, the city, county, or city and county that created the redevelopment agency, if it is acting as the successor agency, shall be subject to a civil penalty equal to ten thousand dollars (\$10,000) per day for every day the schedule is not submitted to the department. The civil penalty shall be paid to the county auditor-controller for allocation to the taxing entities under Section 34183. If a successor agency fails to submit a Recognized Obligation Payment Schedule by the deadline, any creditor of the successor agency or the Department of Finance or any affected taxing entity shall have standing to and may request a writ of mandate to require the successor agency to immediately perform this duty. Those actions may be filed only in the County of Sacramento and shall have priority over other civil matters. Additionally, if an agency does not submit a Recognized Obligation Payment Schedule within 10 days of the deadline, the maximum administrative cost allowance for that period shall be reduced by 25 percent.

(C) If a successor agency fails to submit to the department an oversight board-approved Recognized Obligation Payment Schedule that complies with all requirements of this subdivision within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the department may determine if any amount should be withheld by the county auditor-controller for payments for enforceable obligations from

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(Chapter 3 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

distribution to taxing entities, pending approval of a Recognized Obligation Payment Schedule. The county auditor-controller shall distribute the portion of any of the sums withheld pursuant to this paragraph to the affected taxing entities in accordance with paragraph (4) of subdivision (a) of Section 34183 upon notice by the department that a portion of the withheld balances are in excess of the amount of enforceable obligations. The county auditor-controller shall distribute withheld funds to the successor agency only in accordance with a Recognized Obligation Payment Schedule approved by the department. County auditor-controllers shall lack the authority to withhold any other amounts from the allocations provided for under Section 34183 or 34188 unless required by a court order.

(D) (i) The Recognized Obligation Payment Schedule payments required pursuant to this subdivision may be scheduled beyond the existing Recognized Obligation Payment Schedule cycle upon a showing that a lender requires cash on hand beyond the Recognized Obligation Payment Schedule cycle.

(ii) When a payment is shown to be due during the Recognized Obligation Payment Schedule period, but an invoice or other billing document has not yet been received, the successor agency may utilize reasonable estimates and projections to support payment amounts for enforceable obligations if the successor agency submits appropriate supporting documentation of the basis for the estimate or projection to the department and the auditor-controller.

(iii) A Recognized Obligation Payment Schedule may also include appropriation of moneys from bonds subject to passage during the Recognized Obligation Payment Schedule cycle when an enforceable obligation requires the agency to issue the bonds and use the proceeds to pay for project expenditures.

(2) The requirements of this subdivision shall apply until December 31, 2015.

(n) Cause a postaudit of the financial transactions and records of the successor agency to be made at least annually by a certified public accountant.

(o) (1) Commencing with the Recognized Obligation Payment Schedule covering the period from July 1, 2016, to June 30, 2017, inclusive, and for each period from July 1 to June 30, inclusive, thereafter, a successor agency shall submit an oversight board-approved Recognized Obligation Payment Schedule to the department and to the county auditor-controller no later than February 1, 2016, and each February 1 thereafter. The department shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than April 15, 2016, and each April 15 thereafter. Within five business days of the department's determination, a successor agency may request additional review by the department and an opportunity to meet and confer on disputed items, except for those items which are the subject of litigation disputing the department's previous or related determination. An untimely submittal of a Recognized Obligation Payment Schedule may result in a meet and confer period of less than 30 days. The department shall notify the successor agency and the county auditor-controller as to the outcome of its review at least 15 days before the date of the first property tax distribution for that period.

(A) The successor agency shall submit a copy of the Recognized Obligation Payment Schedule to the department in the manner provided for by the department.

(B) If a successor agency does not submit a Recognized Obligation Payment Schedule by the deadlines provided in this subdivision, the city, county, or city and county that created the redevelopment agency, if acting as the successor agency, shall be subject to a civil penalty equal to ten thousand dollars (\$10,000) per day for every day the schedule is not submitted to the department. The civil penalty shall be paid to the county auditor-controller for allocation to the taxing entities under Section 34183. If a successor agency fails to submit a Recognized Obligation Payment Schedule by the deadline, any creditor of the successor agency or the department or any affected taxing entity shall have standing to, and may request a writ of mandate to, require the successor agency to immediately perform this duty. Those actions may be filed only in the County of Sacramento and shall have priority over other civil matters. Additionally, if an agency does not submit a Recognized Obligation Payment Schedule within 10 days of the deadline, the maximum administrative cost for that period shall be reduced by 25 percent.

(C) If a successor agency fails to submit to the department an oversight board-approved Recognized Obligation Payment Schedule that complies with all requirements of this subdivision within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the department may determine if any amount

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(Chapter 3 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

should be withheld by the county auditor-controller for payments for enforceable obligations from distribution to taxing entities, pending approval of a Recognized Obligation Payment Schedule. The county auditor-controller shall distribute the portion of any of the sums withheld pursuant to this paragraph to the affected taxing entities in accordance with paragraph (4) of subdivision (a) of Section 34183 upon notice by the department that a portion of the withheld balances are in excess of the amount of enforceable obligations. The county auditor-controller shall distribute withheld funds to the successor agency only in accordance with a Recognized Obligation Payment Schedule approved by the department. County auditor-controllers do not have the authority to withhold any other amounts from the allocations provided for under Section 34183 or 34188 except as required by a court order.

(D) (i) The Recognized Obligation Payment Schedule payments required pursuant to this subdivision may be scheduled beyond the existing Recognized Obligation Payment Schedule cycle upon a showing that a lender requires cash on hand beyond the Recognized Obligation Payment Schedule cycle.

(ii) When a payment is shown to be due during the Recognized Obligation Payment Schedule period, but an invoice or other billing document has not yet been received, the successor agency may utilize reasonable estimates and projections to support payment amounts for enforceable obligations if the successor agency submits appropriate supporting documentation of the basis for the estimate or projection to the department and the county auditor-controller.

(iii) A Recognized Obligation Payment Schedule may also include a request to use proceeds from bonds expected to be issued during the Recognized Obligation Payment Schedule cycle when an enforceable obligation requires the agency to issue the bonds and use the proceeds to pay for project expenditures.

(E) Once per Recognized Obligation Payment Schedule period, and no later than October 1, a successor agency may submit one amendment to the Recognized Obligation Payment Schedule approved by the department pursuant to this subdivision, if the oversight board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second one-half of the Recognized Obligation Payment Schedule period, which shall be defined as January 1 to June 30, inclusive. A successor agency may only amend the amount requested for payment of approved enforceable obligations. The revised Recognized Obligation Payment Schedule shall be approved by the oversight board and submitted to the department by electronic means in a manner of the department's choosing. The department shall notify the successor agency and the county auditor-controller as to the outcome of the department's review at least 15 days before the date of the property tax distribution.

(2) The requirements of this subdivision shall apply on and after January 1, 2016.

(Amended by Stats. 2015, Ch. 325, Sec. 6. (SB 107) Effective September 22, 2015.)

34177.3.

(a) Successor agencies shall lack the authority to, and shall not, create new enforceable obligations or begin redevelopment work, except in compliance with an enforceable obligation, as defined by subdivision (d) of Section 34171, that existed prior to June 28, 2011.

(b) Notwithstanding subdivision (a), successor agencies may create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance. Except as required by an enforceable obligation, the work of winding down the redevelopment agency does not include planning, design, redesign, development, demolition, alteration, construction, construction financing, site remediation, site development or improvement, land clearance, seismic retrofits, and other similar work. Successor agencies may not create enforceable obligations to repay loans entered into between the redevelopment agency that it is succeeding and the city, county, or city and county that formed the redevelopment agency that it is succeeding, except as provided in Chapter 9 (commencing with Section 34191.1).

(c) Successor agencies shall lack the authority to, and shall not, transfer any powers or revenues of the successor agency to any other party, public or private, except pursuant to an enforceable

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(Chapter 3 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

obligation on a Recognized Obligation Payment Schedule approved by the department. Any such transfers of authority or revenues that are not made pursuant to an enforceable obligation on a Recognized Obligation Payment Schedule approved by the department are hereby declared to be void, and the successor agency shall take action to reverse any of those transfers. The Controller may audit any transfer of authority or revenues prohibited by this section and may order the prompt return of any money or other things of value from the receiving party.

(d) Redevelopment agencies that resolved to participate in the Voluntary Alternative Redevelopment Program under Chapter 6 of the First Extraordinary Session of the Statutes of 2011 were and are subject to the provisions of Part 1.8 (commencing with Section 34161). Any actions taken by redevelopment agencies to create obligations after June 27, 2011, are ultra vires and do not create enforceable obligations.

(e) The provisions of this section shall apply retroactively to any successor agency or redevelopment agency actions occurring on or after June 27, 2012.

(Amended by Stats. 2015, Ch. 325, Sec. 7. (SB 107) Effective September 22, 2015.)

34177.5.

(a) In addition to the powers granted to each successor agency, and notwithstanding anything in the act adding this part, including, but not limited to, Sections 34162 and 34189, a successor agency shall have the authority, rights, and powers of the redevelopment agency to which it succeeded solely for the following purposes:

(1) For the purpose of issuing bonds or incurring other indebtedness to refund the bonds or other indebtedness of its former redevelopment agency or of the successor agency to provide savings to the successor agency, provided that (A) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (B) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance. If the foregoing conditions are satisfied, the initial principal amount of the refunding bonds or other indebtedness may be greater than the outstanding principal amount of the bonds or other indebtedness to be refunded. The successor agency may pledge to the refunding bonds or other indebtedness the revenues pledged to the bonds or other indebtedness being refunded, and that pledge, when made in connection with the issuance of such refunding bonds or other indebtedness, shall have the same lien priority as the pledge of the bonds or other obligations to be refunded, and shall be valid, binding, and enforceable in accordance with its terms.

(2) For the purpose of issuing bonds or other indebtedness to finance debt service spikes, including balloon maturities, provided that (A) the existing indebtedness is not accelerated, except to the extent necessary to achieve substantially level debt service, and (B) the principal amount of the bonds or other indebtedness shall not exceed the amount required to finance the debt service spikes, including establishing customary debt service reserves and paying related costs of issuance.

(3) For the purpose of amending an existing enforceable obligation under which the successor agency is obligated to reimburse a political subdivision of the state for the payment of debt service on a bond or other obligation of the political subdivision, or to pay all or a portion of the debt service on the bond or other obligation of the political subdivision to provide savings to the successor agency, provided that (A) the enforceable obligation is amended in connection with a refunding of the bonds or other obligations of the political subdivision so that the enforceable obligation will apply to the refunding bonds or other refunding indebtedness of the political subdivision, (B) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (C) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other

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indebtedness, to establish customary debt service reserves and to pay related costs of issuance. The pledge set forth in that amended enforceable obligation, when made in connection with the execution of the amendment of the enforceable obligation, shall have the same lien priority as the pledge in the enforceable obligation prior to its amendment and shall be valid, binding, and enforceable in accordance with its terms.

(4) For the purpose of issuing bonds or incurring other indebtedness to make payments under enforceable obligations when the enforceable obligations include the irrevocable pledge of property tax increment, formerly tax increment revenues prior to the effective date of this part, or other funds and the obligation to issue bonds secured by that pledge. The successor agency may pledge to the bonds or other indebtedness the property tax revenues and other funds described in the enforceable obligation, and that pledge, when made in connection with the issuance of the bonds or the incurring of other indebtedness, shall be valid, binding, and enforceable in accordance with its terms. This paragraph shall not be deemed to authorize a successor agency to increase the amount of property tax revenues pledged under an enforceable obligation or to pledge any property tax revenue not already pledged pursuant to an enforceable obligation. This paragraph does not constitute a change in, but is declaratory of, the existing law.

(b) The refunding bonds authorized under this section may be issued under the authority of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and the refunding bonds may be sold at public or private sale, or to a joint powers authority pursuant to the Marks-Roos Local Bond Pooling Act (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code).

(c) (1) Prior to incurring any bonds or other indebtedness pursuant to this section, the successor agency may subordinate to the bonds or other indebtedness the amount required to be paid to an affected taxing entity pursuant to paragraph (1) of subdivision (a) of Section 34183, provided that the affected taxing entity has approved the subordinations pursuant to this subdivision.

(2) At the time the successor agency requests an affected taxing entity to subordinate the amount to be paid to it, the successor agency shall provide the affected taxing entity with substantial evidence that sufficient funds will be available to pay both the debt service on the bonds or other indebtedness and the payments required by paragraph (1) of subdivision (a) of Section 34183, when due.

(3) Within 45 days after receipt of the agency's request, the affected taxing entity shall approve or disapprove the request for subordination. An affected taxing entity may disapprove a request for subordination only if it finds, based upon substantial evidence, that the successor agency will not be able to pay the debt service payments and the amount required to be paid to the affected taxing entity. If the affected taxing entity does not act within 45 days after receipt of the agency's request, the request to subordinate shall be deemed approved and shall be final and conclusive.

(d) An action may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of bonds or other obligations authorized by this section, the pledge of revenues to those bonds or other obligations authorized by this section, the legality and validity of all proceedings theretofore taken and, as provided in the resolution of the legislative body of the successor agency authorizing the bonds or other obligations authorized by this section, proposed to be taken for the authorization, execution, issuance, sale, and delivery of the bonds or other obligations authorized by this section, and for the payment of debt service on the bonds or the payment of amounts under other obligations authorized by this section. Subdivision (c) of Section 33501 shall not apply to any such action. The department shall be notified of the filing of any action as an affected party.

(e) Notwithstanding any other law, including, but not limited to, Section 33501, an action to challenge the issuance of bonds, the incurrence of indebtedness, the amendment of an enforceable obligation, or the execution of a financing agreement by a successor agency shall be brought within 30 days after the date on which the oversight board approves the resolution of the successor agency approving the issuance of bonds, the incurrence of indebtedness, the amendment of an enforceable obligation, or the execution of a financing agreement authorized under this section.

(f) The actions authorized in this section shall be subject to the approval of the oversight board, as provided in Section 34180. Additionally, an oversight board may direct the successor agency to commence any of the transactions described in subdivision (a) so long as the successor agency is able to recover its related costs in connection with the transaction. After a successor agency, with

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(Chapter 3 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

approval of the oversight board, issues any bonds, incurs any indebtedness, or executes an amended enforceable obligation pursuant to subdivision (a), the oversight board shall not unilaterally approve any amendments to or early termination of the bonds, indebtedness, or enforceable obligation. If, under the authority granted to it by subdivision (h) of Section 34179, the department either reviews and approves or fails to request review within five business days of an oversight board approval of an action authorized by this section, the scheduled payments on the bonds or other indebtedness shall be listed in the Recognized Obligation Payment Schedule and shall not be subject to further review and approval by the department or the Controller. The department may extend its review time to 60 days for actions authorized in this section and may seek the assistance of the Treasurer in evaluating proposed actions under this section.

(g) Any bonds, indebtedness, or amended enforceable obligation authorized by this section shall be considered indebtedness incurred by the dissolved redevelopment agency, with the same legal effect as if the bonds, indebtedness, financing agreement, or amended enforceable obligation had been issued, incurred, or entered into prior to June 28, 2011, in full conformity with the applicable provisions of the Community Redevelopment Law that existed prior to that date, shall be included in the successor agency's Recognized Obligation Payment Schedule, and shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172, as provided in paragraph (2) of subdivision (a) of Section 34183. Property tax revenues pledged to any bonds, indebtedness, or amended enforceable obligations authorized by this section are taxes allocated to the successor agency pursuant to subdivision (b) of Section 33670 and Section 16 of Article XVI of the California Constitution.

(h) The successor agency shall make diligent efforts to ensure that the lowest long-term cost financing is obtained. The financing shall not provide for any bullets or spikes and shall not use variable rates. The successor agency shall make use of an independent financial advisor in developing financing proposals and shall make the work products of the financial advisor available to the department at its request.

(i) If an enforceable obligation provides for an irrevocable commitment of revenue and where allocation of such revenues is expected to occur over time, the successor agency may petition the department by electronic means and in a manner of the department's choosing to provide written confirmation that its determination of such enforceable obligation as approved in a Recognized Obligation Payment Schedule is final and conclusive, and reflects the department's approval of subsequent payments made pursuant to the enforceable obligation. The successor agency shall provide a copy of the petition to the county auditor-controller at the same time it is submitted to the department. The department shall have 100 days from the date of the request for a final and conclusive determination to provide written confirmation of approval or denial of the request. For any pending final and conclusive determination requests submitted prior to June 30, 2015, the department shall have until December 31, 2015, to provide written confirmation of approval or denial of the request. If the confirmation of approval is granted, then the department's review of such payments in future Recognized Obligation Payment Schedules shall be limited to confirming that they are required by the prior enforceable obligation.

(j) The successor agency may request that the department provide a written determination to waive the two-year statute of limitations on an action to review the validity of the adoption or amendment of a redevelopment plan pursuant to subdivision (c) of Section 33500 or on any findings or determinations made by the agency pursuant to subdivision (d) of Section 33500. The department at its discretion may provide a waiver if it determines it is necessary for the agency to fulfill an enforceable obligation.

(Amended by Stats. 2015, Ch. 325, Sec. 8. (SB 107) Effective September 22, 2015.)

34177.7.

(a) (1) In addition to the powers granted to each successor agency, and notwithstanding anything in the act adding this part, including, but not limited to, Sections 34162 and 34189, the successor agency to the Redevelopment Agency of the City and County of San Francisco shall have the

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(Chapter 3 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

authority, rights, and powers of the Redevelopment Agency to which it succeeded solely for the purpose of issuing bonds or incurring other indebtedness to finance:

(A) The affordable housing required by the Mission Bay North Owner Participation Agreement, the Mission Bay South Owner Participation Agreement, the Disposition and Development Agreement for Hunters Point Shipyard Phase 1, the Candlestick Point-Hunters Point Shipyard Phase 2 Disposition and Development Agreement, and the Transbay Implementation Agreement.

(B) The infrastructure required by the Transbay Implementation Agreement.

(2) The successor agency to the Redevelopment Agency of the City and County of San Francisco may pledge to the bonds or other indebtedness the property tax revenues available in the successor agency's Redevelopment Property Tax Trust Fund that are not otherwise obligated.

(b) Bonds issued pursuant to this section may be sold pursuant to either a negotiated or a competitive sale. The bonds issued or other indebtedness obligations incurred pursuant to this section may be issued or incurred on a parity basis with outstanding bonds or other indebtedness obligations of the successor agency to the Redevelopment Agency of the City and County of San Francisco and may pledge the revenues pledged to those outstanding bonds or other indebtedness obligations to the issuance of bonds or other obligations pursuant to this section. The pledge, when made in connection with the issuance of bonds or other indebtedness obligations under this section, shall have the same lien priority as the pledge of outstanding bonds or other indebtedness obligations, and shall be valid, binding, and enforceable in accordance with its terms.

(c) (1) Prior to issuing any bonds or incurring other indebtedness pursuant to this section, the successor agency to the Redevelopment Agency of the City and County of San Francisco may subordinate to the bonds or other indebtedness the amount required to be paid to an affected taxing entity pursuant to paragraph (1) of subdivision (a) of Section 34183, provided that the affected taxing entity has approved the subordinations pursuant to this subdivision.

(2) At the time the agency requests an affected taxing entity to subordinate the amount to be paid to it, the agency shall provide the affected taxing entity with substantial evidence that sufficient funds will be available to pay both the debt service on the bonds or other indebtedness and the payments required by paragraph (1) of subdivision (a) of Section 34183, when due.

(3) Within 45 days after receipt of the agency's request, the affected taxing entity shall approve or disapprove the request for subordination. An affected taxing entity may disapprove a request for subordination only if it finds, based upon substantial evidence, that the successor agency will not be able to pay the debt service payments and the amount required to be paid to the affected taxing entity. If the affected taxing entity does not act within 45 days after receipt of the agency's request, the request to subordinate shall be deemed approved and shall be final and conclusive.

(d) An action may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of bonds or other obligations authorized by this section, the pledge of revenues to those bonds or other obligations authorized by this section, the legality and validity of all proceedings theretofore taken and, as provided in the resolution of the legislative body of the successor agency to the Redevelopment Agency of the City and County of San Francisco authorizing the bonds or other indebtedness obligations authorized by this section, proposed to be taken for the authorization, execution, issuance, sale, and delivery of the bonds or other obligations authorized by this section, and for the payment of debt service on the bonds or the payment of amounts under other obligations authorized by this section. Subdivision (c) of Section 33501 shall not apply to any such action. The department shall be notified of the filing of any action as an affected party.

(e) Notwithstanding any other law, including, but not limited to, Section 33501, an action to challenge the issuance of bonds or the incurrence of indebtedness by the successor agency to the Redevelopment Agency of the City and County of San Francisco shall be brought within 30 days after the date on which the oversight board approves the resolution of the agency approving the issuance of bonds or the incurrence of indebtedness under this section.

(f) The actions authorized in this section shall be subject to the approval of the oversight board, as provided in Section 34180. Additionally, the oversight board may direct the successor agency to the Redevelopment Agency of the City and County of San Francisco to commence any of the transactions described in subdivision (a) so long as the agency is able to recover its related costs in connection with the transaction. After the agency, with approval of the oversight board, issues any bonds or

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incurs any indebtedness pursuant to subdivision (a), the oversight board shall not unilaterally approve any amendments to or early termination of the bonds or indebtedness. If, under the authority granted to it by subdivision (h) of Section 34179, the department either reviews and approves or fails to request review within five business days of an oversight board approval of an action authorized by this section, the scheduled payments on the bonds or other indebtedness shall be listed in the Recognized Obligation Payment Schedule and shall not be subject to further review and approval by the department or the Controller. The department may extend its review time to 60 days for actions authorized in this section and may seek the assistance of the Treasurer in evaluating proposed actions under this section.

(g) Any bonds or other indebtedness authorized by this section shall be considered indebtedness incurred by the dissolved redevelopment agency, with the same legal effect as if the bonds or other indebtedness had been issued, incurred, or entered into prior to June 28, 2011, in full conformity with the applicable provisions of the Community Redevelopment Law that existed prior to that date, shall be included in the successor agency to the Redevelopment Agency of the City and County of San Francisco's Recognized Obligation Payment Schedule, and shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172, as provided in paragraph (2) of subdivision (a) of Section 34183. Property tax revenues pledged to any bonds or other indebtedness obligations authorized by this section are taxes allocated to the successor agency pursuant to subdivision (b) of Section 33670 and Section 16 of Article XVI of the California Constitution.

(h) The successor agency to the Redevelopment Agency of the City and County of San Francisco shall make diligent efforts to ensure that the lowest long-term cost financing is obtained. The financing shall not provide for any bullets or spikes and shall not use variable rates. The agency shall make use of an independent financial advisor in developing financing proposals and shall make the work products of the financial advisor available to the department at its request.

(Added by Stats. 2015, Ch. 325, Sec. 9. (SB 107) Effective September 22, 2015.)

34178.

(a) Commencing on the operative date of this part, agreements, contracts, or arrangements between the city or county, or city and county that created the redevelopment agency and the redevelopment agency are invalid and shall not be binding on the successor agency; provided, however, that a successor entity wishing to enter or reenter into agreements with the city, county, or city and county that formed the redevelopment agency that it is succeeding may do so subject to the restrictions identified in subdivision (c), and upon obtaining the approval of its oversight board.

(b) Notwithstanding subdivision (a), any of the following agreements are not invalid and may bind the successor agency:

(1) A duly authorized written agreement entered into at the time of issuance, but in no event later than December 31, 2010, of indebtedness obligations, and solely for the purpose of securing or repaying those indebtedness obligations.

(2) A written agreement between a redevelopment agency and the city, county, or city and county that created it that provided loans or other startup funds for the redevelopment agency that were entered into within two years of the formation of the redevelopment agency.

(3) A joint exercise of powers agreement in which the redevelopment agency is a member of the joint powers authority. However, upon assignment to the successor agency by operation of the act adding this part, the successor agency's rights, duties, and performance obligations under that joint exercise of powers agreement shall be limited by the constraints imposed on successor agencies by the act adding this part.

(4) A duly authorized written agreement entered into at the time of issuance, but in no event later than June 27, 2011, of indebtedness obligations solely for the refunding or refinancing of other indebtedness obligations that existed prior to January 1, 2011, and solely for the purpose of securing or repaying the refunded and refinanced indebtedness obligations.

CHAPTER 3. Successor Agencies [34177 - 34178.7]

(Chapter 3 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

(c) An oversight board shall not approve any agreements between the successor agency and the city, county, or city and county that formed the redevelopment agency that it is succeeding, except for agreements for the limited purposes set forth in subdivision (b) of Section 34177.3. A successor agency shall not enter or reenter into any agreements with the city, county, or city and county that formed the redevelopment agency that it is succeeding, except for agreements for the limited purposes set forth in subdivision (b) of Section 34177.3. A successor agency or an oversight board shall not exercise the powers granted by subdivision (a) to restore funding for any item that was denied or reduced by the department. This subdivision shall apply retroactively to all agreements entered or reentered pursuant to this section on and after June 27, 2012. Any agreement entered or reentered pursuant to this section on and after June 27, 2012, that does not comply with this subdivision is ultra vires and void, and does not create an enforceable obligation. The Legislature finds and declares that this subdivision is necessary to promote the expeditious wind down of redevelopment agency affairs.

(Amended by Stats. 2015, Ch. 325, Sec. 10. (SB 107) Effective September 22, 2015.)

34178.7.

For purposes of this chapter with regard to a redevelopment agency that becomes subject to this part pursuant to Section 34195, only references to "October 1, 2011," and to the "operative date of this part" shall be modified in the manner described in Section 34191. All other dates shall be modified only as necessary to reflect the appropriate fiscal year or portion of a fiscal year.

(Added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7. (AB 26 1x) Effective June 29, 2011. Operative February 1, 2012.)

