



**Date:** February 8, 2012

**To:** City Manager for Council Action

**From:** Assistant City Manager

**Subject:** Adoption of Resolution of the City of Santa Clara, acting as the Governing Body of the Successor Agency to the Santa Clara Redevelopment Agency directing the City Manager to establish procedures for and call meetings of the Oversight Board and other Administrative Matters and ratifying the Mayor's appointments to the Oversight Board

**EXECUTIVE SUMMARY:**

On December 29, 2011, the California Supreme Court delivered its decision in the *California Redevelopment Association v. Matosantos* case, finding ABx1 26 (the "Dissolution Act") largely constitutional and AB1x 27 (the "Alternative Redevelopment Program Act") unconstitutional. As a result of the Court's bifurcated decision, the Redevelopment Agency of the City of Santa Clara was dissolved effective February 1, 2012. The City elected to serve as the successor agency to the former Redevelopment Agency and in that capacity is charged with the responsibility of paying off the former Redevelopment Agency's existing debts, disposing of the former Redevelopment Agency's properties and assets and winding up the affairs of the former Redevelopment Agency.

The Successor Agency's actions will be overseen by an Oversight Board consisting of seven members appointed as follows:

- Mayor of Santa Clara (2 members)
- County Board of Supervisors (2 members)
- Santa Clara Valley Water District, representing the largest special district (1 member)
- Santa Clara County Superintendent of Education (1 member)
- Chancellor of the California Community College District (1 member)

The Oversight Board will direct the actions of the City, acting as the successor agency, with regards to the winding down of the former redevelopment agency. The Oversight Board will approve the recognized obligations payment schedule that will be prepared every six months and will determine which obligations of the former Redevelopment Agency are paid from tax increment. The Oversight Board is also charged with directing the City, as successor agency, with regards to the sale of the former Redevelopment Agency's real property assets.

The City, as successor agency, is responsible for the costs associated with the meetings of the Oversight Board and the Oversight Board can direct the staff of the successor agency to take actions regarding the dissolution of the former Redevelopment Agency.

Adoption of Resolution of the City of Santa Clara, acting as the Governing Body of the Successor Agency to the Santa Clara Redevelopment Agency directing the City Manager to establish procedures for and call meetings of the Oversight Board and other Administrative Matters and ratifying the Mayor's appointments to the Oversight Board

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Members of the Oversight Board cannot be compensated and cannot be reimbursed for expenses. Members of the Oversight Board have a fiduciary duty to the holders of enforceable obligations of the former Redevelopment Agency and the taxing agencies that will receive property tax distributions as a result of the dissolution.

The Resolution directs and authorizes the City Manager or her designee to establish, organize and call the meetings of the Oversight Board as soon as practicable after the appointments of the Oversight Board members. Additionally, the Resolution ratifies the Mayor's appointment of Director of Finance Gary Ameling and Mayor Jamie Matthews to the Oversight Board. The alternate to the Mayor will be Vice Mayor Lisa Gillmor.

**ADVANTAGES AND DISADVANTAGES OF ISSUE:**

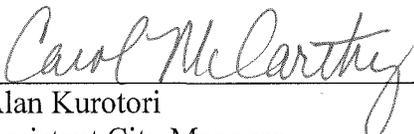
By establishing the City as the governing body of the successor agency, the City will have the ability to effectively provide work products to advance the Oversight Board's duties. The potential disadvantage is that it is unclear what level of support would be needed for the Oversight Board and associated agencies.

**ECONOMIC/FISCAL IMPACT:**

The costs of meetings of the Oversight Board are to be borne by the City, as the successor agency, pursuant to the Dissolution Act. These costs are part of the Successor Agency's administrative budget and must be included in the administrative cost allocation which is limited to 5% of the amount of tax increment received by the Agency in 2011-12 and 3% in subsequent years with a minimum of \$250,000.

**RECOMMENDATION:**

That the Council adopt the Resolution of the City of Santa Clara, acting as the Governing Body of the Successor Agency to the Santa Clara Redevelopment Agency directing the City Manager to establish procedures for and call meetings of the Oversight Board and other Administrative Matters and ratifying the Mayor's appointments to the Oversight Board.

*for*   
\_\_\_\_\_  
Alan Kurotori  
Assistant City Manager

APPROVED:

  
\_\_\_\_\_  
Jennifer Sparacino  
City Manager

*Documents Related to this Report: Stadium Resolution*

**RESOLUTION NO. 12-7908**

**RESOLUTION OF THE CITY OF SANTA CLARA ACTING AS THE GOVERNING BODY FOR THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARA, DIRECTING THE CITY MANAGER TO ESTABLISH PROCEDURES FOR AND CALL MEETINGS OF THE OVERSIGHT BOARD AND OTHER ADMINISTRATIVE MATTERS AND RATIFYING THE MAYOR'S APPOINTMENTS TO THE OVERSIGHT BOARD**

**BE IT RESOLVED BY THE CITY OF SANTA CLARA ACTING AS THE GOVERNING BODY OF THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARA AS FOLLOWS:**

**WHEREAS**, the California State Legislature enacted Assembly Bill 1X 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law;

**WHEREAS**, the City Council of the City of Santa Clara has declared that the City of Santa Clara shall act as the Successor Agency for the dissolved Redevelopment Agency of the City of Santa Clara ("Successor Agency") effective February 1, 2012 and that the City of Santa Clara shall retain the housing assets and function of the Redevelopment Agency of the City of Santa Clara;

**WHEREAS**, the Dissolution Act provided for the appointment of an Oversight Board with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181;

**WHEREAS**, the Dissolution Act provides for the Mayor to appoint two members to the Oversight Board; and,

**WHEREAS**, the Successor Agency shall perform work in furtherance of the Oversight' Board's duties and responsibilities, including the administration of the Board's meetings pursuant to Health and Safety Code Section 34179(C).

**NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:**

1. The City Council finds that the above recitals are accurate.
2. The City Council acting as the Governing Board of the Successor Agency hereby directs and authorizes the City Manager or her designee to establish, organize and call the meetings of the Oversight Board as soon as practicable after the appointments of the Oversight Board members.
3. Until the City Council, acting as the governing board of the Successor Agency, resolves otherwise, the Successor Agency shall be referred to in all of its official documents, papers, reports and shall carry out its duties and shall exercise its rights as the City of Santa Clara, acting in its capacity as the Successor Agency to the Redevelopment Agency of the City of Santa Clara.
4. All costs of, liabilities of and claims against the Successor Agency and the Oversight Board shall be solely the costs and liabilities of the Successor Agency and/or the Oversight Board and shall not be costs of, liabilities of or claims against the City of Santa Clara.
5. The City Council hereby ratifies the Mayor's appointment of Director of Finance and Mayor to the Oversight Board; with Vice Mayor as alternate to Mayor.
6. This Resolution shall take immediate effect upon its adoption.

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I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA, CALIFORNIA, ACTING IN ITS CAPACITY AS THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARA, AT A REGULAR MEETING THEREOF HELD ON THE 14<sup>th</sup> DAY OF FEBRUARY, 2012, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:	Gillmor, Kennedy, Kolstad, Mahan and Moore and Mayor Matthews
NOES:	COUNCILORS:	None
ABSENT:	COUNCILORS:	McLeod
ABSTAINED:	COUNCILORS:	None

ATTEST:

  
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ROD DIRIDON, JR.  
CITY CLERK  
CITY OF SANTA CLARA

Attachments Incorporated by Reference:  
None