



**COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER**

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COUNTY OF RIVERSIDE**

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September 20, 2017

To: All Appointing Agencies within County of Riverside

From: Pam Elias, Chief Accountant
Property Tax Division *PE*

Subject: APPOINTMENTS OF OVERSIGHT BOARD MEMBERS FOR RIVERSIDE COUNTY
REDEVELOPMENT OVERSIGHT BOARD CONSOLIDATION

The Auditor-Controller's Office is requesting that appointing agencies formally appoint members and two alternates to the consolidated redevelopment Oversight Board by **December 31, 2017**.

In September 2015, the State of California approved Senate Bill No. 107 (SB107) which guides the final technical steps in the dissolution of local redevelopment agencies. SB107 makes several changes related to Oversight Boards. The legislation calls for counties with more than one Oversight Board (i.e., County of Riverside) to be consolidated into only one Oversight Board. In the County of Riverside, the existing twenty-five Oversight Boards shall be consolidated into one and staffed by the County Executive Office in conjunction with the County Clerk of the Board, with oversight by our office.

The County Oversight Board will have the authority to oversee and direct the Successor Agencies to wind down activities and expeditiously liquidate the assets of the former redevelopment agencies.

Pursuant to Health and Safety Code Section 34179 (j), as amended by SB107, the consolidated Oversight Board will be 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.
- (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.

The Governor may appoint individuals to fill any Oversight Board member position that has not been filled by July 15, 2018, or any member position that remains vacant for more than 60 days. Each member of the Oversight Board shall serve at the pleasure of the entity that appointed such member. In addition, Oversight Board members shall serve without compensation or reimbursement for expenses.

To ensure the Oversight Board maintains a quorum for each meeting, we recommend each appointing authority appoint alternate representatives to serve on the Oversight Board in the event the appointing authority's primary representative is unavailable. Alternates appointed by the authorized appointing entity have the same voting and participation rights as the primary appointee. Therefore, we are asking appointing agencies to nominate two alternates to serve on the consolidated Oversight Boards.

The following may assist in identifying potential appointees/alternates.

1. Appointees should recognize and understand that Oversight Boards have a fiduciary responsibility to the holders of legally enforceable debt of the former Redevelopment Agencies (RDAs) and to the taxing entities that will benefit from the winding down of the agencies.
2. Duties of the Oversight Boards will include a detailed review of the Recognized Obligation Payment Schedule, and directing the Successor Agencies to dispose of unencumbered assets.
3. Time commitments will vary based on the size and complexity of the affairs of each Successor Agency. We believe most Successor Agencies will require periodic meetings, potentially on a monthly or bi-monthly basis. Over time, as Successor Agencies continue to wind down their activities and dispose of assets, the frequency of meetings may decrease.
4. The Oversight Board meetings will be public meetings as defined in the Brown Act, and as public meetings some might be scheduled in the evening hours or on weekends. In addition to the Oversight Board meetings, there will be training sessions, and some time will be necessary for the appointees to prepare for the meetings.
5. Desirable qualifications for appointees include:
 - a) Detail-oriented. Previous experience or familiarity with the dissolution process would be useful. Previous Oversight Board appointees or alternates may make good candidates.
 - b) Available to attend meetings. All actions of the Oversight Boards require a quorum, so attendance will be necessary in order for the Oversight Boards to carry out their responsibilities.
 - c) Independent. It is possible that disputes will arise regarding the approval of enforceable obligations, expenditures, or the disposition of assets. Oversight Board members will

need to uphold their fiduciary responsibilities according to the law.

6. Oversight Board members do not receive compensation or reimbursement of expenses, and serve at the pleasure of the jurisdiction that appoints them.
7. Oversight Board members need not be residents of the County of Riverside. Members appointed to represent a board-governed special district do not need to be employees of or affiliated with, the special district.
8. Members shall have personal immunity from their actions related to the Oversight Boards.

Please be mindful of potential conflicts of interest that may exist for potential nominees and certain former RDAs (e.g., possible financial interests of family members with former redevelopment agencies). You may wish to consult legal counsel to address any potential conflicts.

Please share this information with all appropriate management and staff. In addition, please consider nominating individuals that have previously and effectively served on Oversight Boards, should they possess the desired qualifications. We need to process the Oversight Board appointments as soon as possible, so we would like to have a list of potential candidates by December 31, 2017.

As potential Oversight Board appointees are identified, please forward the names and contact information to me at pelias@rivco.org and Khanh Truong at ktruong@rivco.org of this office. We will assume that any potential Oversight Board appointees submitted will be approved to serve on an Oversight Board should they be selected. Health and Safety Code Section 34179 is attached to this letter in its entirety.

If you have any questions, please contact me at (951) 955-0320 or Khanh Truong at (951) 955-1375.

cc: Paul Angulo, Auditor-Controller
Frankie Ezzat, Assistant Auditor-Controller