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*SLO LAFCO - Serving the Area of San Luis Obispo County*

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**TO: MEMBERS, FORMATION COMMISSION**

**FROM: DAVID CHURCH, EXECUTIVE OFFICER**

**DATE: OCTOBER 19, 2017**

**SUBJECT: PROCEDURE FOR CONSOLIDATION OF REDEVELOPMENT AGENCY OVERSIGHT BOARD AND SPECIAL DISTRICT REPRESENTATION**

**Recommendation.** It is respectfully recommended that the Commission direct the Executive Officer to work with the Independent Special District Selection committee to appoint a redevelopment agency oversight board pursuant to the new State Law and as discussed in this staff report.

On July 1, 2018, the 400+ Redevelopment Agency (RDA) oversight boards across the state will be consolidated into just one oversight board per county with the exception of Los Angeles County which will have five. In San Luis Obispo County (SLO), there are five RDA oversight boards which will be consolidated into one board per state Health & Safety Code § 34179(j). The individual Boards include Arroyo Grande, Grover Beach, Pismo Beach, Paso Robles and Atascadero. Four Independent Special Districts are eligible to receive funds from this source including; Port San Luis Harbor District, Atascadero Cemetery District, Arroyo Grande Cemetery District, and Paso Robles Cemetery District.

LAFCOs in each county are tasked with handling the appointment of the independent special district representative to this consolidated RDA oversight board. ). One of the members of the consolidated board “may be appointed by the independent special district selection committee established under [Cortese-Knox-Hertzberg] for the types of special districts that are eligible to receive property tax revenues pursuant to [the redevelopment agency dissolution law].” Id. §34179(j)(3); see also Gov. Code § 56332(a).

Only the agencies that receive redevelopment agency (RDA) funding are deemed eligible agencies for the purposes of appointing a special district representative to a countywide redevelopment oversight board per Health and Safety Code Section 34179(j)(3). Eligibility requires special districts that have territory in the territorial jurisdiction of a former RDA and are eligible to receive property tax residual for the Redevelopment Property Tax Trust Fund (RPTTF). In San Luis Obispo County, the committee members for the RPTTF-qualifying districts are: Port San Luis Harbor District, Atascadero Cemetery District, Arroyo Grande Cemetery District, Paso Robles Cemetery District.

SLO LAFCo works with the Independent Special District Selection Committee for the purposes of appointing special district representation on the LAFCo Commission. The Independent Special District Selection Committee process is implemented by the Executive Officer in cooperation with help from the Committee members. The members include one representative from each of the 35 special districts in the County.

We have 35 independent special districts in total, but only four of them are eligible for appointment because they receive a property tax residual from the Redevelopment Property Tax Trust Fund (RPTTF). SLO LAFCo (EO) would need to either: (1) convene a meeting of officials from these 38 districts and obtain a quorum; (2) manage a nomination and election process receiving ballots from a majority of the 38 districts, when only four of them have a vested interest in the outcome, or (3) work with the four eligible districts to appoint a special district representative. Option three appears to be the most feasible.

LAFCo legal counsel has researched this issue and confirmed that it would be allowable to approve a local procedure indicating that for the purposes of appointing an independent special district representative to the consolidated RDA board, that only those four (4) eligible districts would be included in the appointment process.

The Executive Officer is responsible for calling a meeting of the RPTTF qualified committee members, or may conduct the business of the committee by mail, to nominate and appoint a representative. Elections by mail shall be conducted in accordance with Government Code Section 56332(f). The independent special district member appointed to the consolidated redevelopment oversight board is appointed by a majority of those RPTTF-qualifying committee members voting. An alternate representative may also be appointed.