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## AGENDA REPORT Consent | Information

March 5, 2018

**TO:** San Diego Commissioners

**FROM:** Keene Simonds, Executive Officer  
Tameron Luckett, Executive Assistant

**SUBJECT:** **Update on Special District Appointments to San Diego County Consolidated Redevelopment Oversight Board**

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## SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will receive an update on its appointment process to seat special district representatives – one regular and one alternate – on the San Diego County Consolidated Redevelopment Oversight Board. A total of five candidates were nominated consistent with the eligibility criteria established by the Commission and will now proceed to a ballot election among all 58 independent special districts. The statutory deadline to complete the appointment process is June 30<sup>th</sup>.

## BACKGROUND

### Redevelopment Agencies | Establishment and Function

Redevelopment agencies (RDAs) in California were established in 1945 as a means for cities and counties to expedite the acquisition and or funding of public work projects to improve “blighted” areas. The underlying legislative intent in creating RDAs was to empower local officials to foster economic development through the use of local property tax proceeds. Markedly, once established, property tax revenue generated within a designated area became stationary with regard to the monies distributed among other local agencies – such as schools and special districts – with the incremental increases going forward getting redirected to RDAs.

## Dissolution of Redevelopment Agencies | Successor Agencies and Consolidated Oversight Boards

In June 2011 – and following several earlier attempts – the Legislature passed Assembly Bill (AB) X26 to suspend all 400 plus RDAs in California and their authority to initiate any new projects. The legislation also initiated a gradual dissolution process in which oversight of RDAs were transferred to successor boards with the task of drawing down preexisting projects.<sup>1</sup> Senate Bill (SB) 107 followed in 2015 to further prescribe the draw down process and mandates the consolidation of all successor agencies in each county by July 1, 2018.<sup>2</sup> The legislation also provides one of the seven seats on the consolidated oversight board shall be filled by a special district representative and through the framework of LAFCOs' existing administrator role of independent special districts selection committees.

## Redevelopment in San Diego County | Implementing SB 107

There are 17 successor agencies to RDAs in San Diego. Almost all – and specifically 15 – of the cities in San Diego County have successor agencies with the exception of Coronado, Del Mar, and Encinitas. The County of San Diego also has two successor agencies. The total value of the residual incremental property tax revenue (e.g. non-committed funds) collectively across the 17 successor agencies as of January 1, 2018 tallies \$131.6 billion. Additionally, within the 17 successor agencies there are 26 special districts divided between 19 independent and 7 dependent that are part of the property tax roll, and as such eligible to receive residual payments from the RPTTF.

In December 2017, San Diego LAFCO approved policy amendments to address its new responsibilities under SB 107 to administer an appointment of a special district representative to a consolidated redevelopment oversight board. The amendments were developed with feedback from LAFCO's Special Districts Advisory Committee (SDAC) and addresses ambiguity in the legislation with respect to appointment eligibility, standards, and procedures. Key implementing policies follow.

- All independent special districts are eligible to participate in the process to appoint (nominate and vote) a representative to serve on the oversight board. However, only board members from those independent special districts that are also enrolled in the RPTTF administered by the County of San Diego Auditor and Controller's Office are eligible to be nominated and serve on the oversight board. A list of the 19 eligible special districts meeting this referenced criteria is provided as Attachment One.
- An alternate appointee to the oversight board is allowed.

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<sup>1</sup> Increment property tax revenues generated within RDAs were also now redirected to a single countywide fund – known as the Redevelopment Property Tax Trust Fund (RPTTF) – and administered by local auditor-controller offices.

<sup>2</sup> SB 107 allows for five consolidated oversight boards in Los Angeles County.

## San Diego LAFCO

March 5, 2018 Regular Meeting

Agenda Item No. 3 | Update on Appointing District Representatives to Consolidated Redevelopment Oversight Board

- Election materials shall be transmitted from San Diego LAFCO by e-mail with prior concurrence of the presiding officer of the special district.
- So long as a quorum is achieved the nominee with the most votes will be appointed the regular member. The nominee with the second most votes will be the alternate.

## DISCUSSION

This item is for San Diego LAFCO to receive and file an update on the Commission's legislative task to administer appointments of special district representatives – one regular and one alternate – on the San Diego County Consolidated Redevelopment Oversight Board. The update is divided between completed and pending procedures and is being presented to the Commission for information and ahead of the June 30<sup>th</sup> deadline.

### Completed Procedures

- As detailed in the preceding section San Diego LAFCO adopted policies and procedures to implement its tasks to oversee the appointment process of a special district representative to the oversight board on December 4, 2017. The policies and procedures draw from input received from LAFCO's 16-member SDAC.
- Notice was provided by regular mail to all independent special districts on December 5, 2017 summarizing SB 107's legislative requirements and the implementing policy and procedure approvals made by the Commission.
- Notice was provided by certified mail to all independent special districts on January 5, 2018 initiating an open nomination period for eligible candidates through February 15, 2018. The following five nominations were received by the deadline:

Hal Martin – Vallecitos Water District  
Julie Nygaard – Tri-City Healthcare District  
Bill Pommering – Padre Dam Municipal Water District  
Patrick Sanchez – Vista Irrigation District  
Ed Sprague – Olivenhain Municipal Water District

### Pending Procedures

- SDAC is scheduled to hold a special meeting on March 16, 2018 and – among other topics – will review nomination results and consider approving timelines and related processes associated with the upcoming election. It is also expected SDAC will consider preferences in making candidate recommendations as authorized under policy as well as options in coordinating a candidate night at an upcoming dinner of the local chapter of the California Special Districts Association (CSDA).

**San Diego LAFCO**

March 5, 2018 Regular Meeting

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**ANALYSIS**

San Diego LAFCO has made measurable progress in completing its legislative task to oversee the appointments of special district representatives to the San Diego County Consolidated Redevelopment Oversight Board ahead of the June 30<sup>th</sup> deadline. LAFCO is currently on hold in making further progress given staff's interest to receive SDAC input in setting timelines and related matters – including its preference in making recommendations and/or coordinating a candidate night with the local CSDA chapter – in transitioning from the nomination to election process. This hold is the result of SDAC needing to reschedule its February 16<sup>th</sup> meeting to March 16<sup>th</sup> to ensure full attendance among members. Should this rescheduled meeting also require cancellation staff will proceed with setting the remaining timelines and related matters without formal SDAC input to ensure LAFCO complies with the June 30<sup>th</sup> deadline.

**ALTERNATIVES FOR ACTION**

This item is being presented for information only.

**RECOMENDATION**

It is recommended San Diego LAFCO receive and file the report.

**PROCEDURES**

This item has been placed on San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully,



Keene Simonds  
Executive Officer



Tamaron Luckett  
Executive Assistant

Attachment:

- 1) Independent Special Districts in San Diego County Enrolled in RPTTF

# ATTACHMENT ONE

## **Independent Special Districts in San Diego County | Enrolled in Redevelopment Property Tax Trust Fund (RPTTF)**

- Elected or Appointed Board Members are Eligible for Nomination to Oversight Board -

Grossmont Healthcare District  
Lakeside Fire Protection District  
Lakeside Water District  
Leucadia Wastewater District  
Lower Sweetwater Fire Protection District  
North County Cemetery District  
Olivenhain Municipal Water District  
Otay Water District  
Padre Dam Municipal Water District  
Palomar Healthcare District  
Pomerado Cemetery District  
Resource Conservation District of Greater San Diego County  
Rincon del Diablo Municipal Water District  
San Marcos Fire Protection District  
San Miguel Consolidated Fire Protection District  
Santa Fe Irrigation District  
Tri-City Healthcare District  
Vallecitos Water District  
Vista Irrigation District