

Board Inquiry Form

Board Member	
Carbajal	x
Wolf	
Farr	
Gray	
Centeno	

Department: NA

Date: **March 2, 2010**

Request/Question:

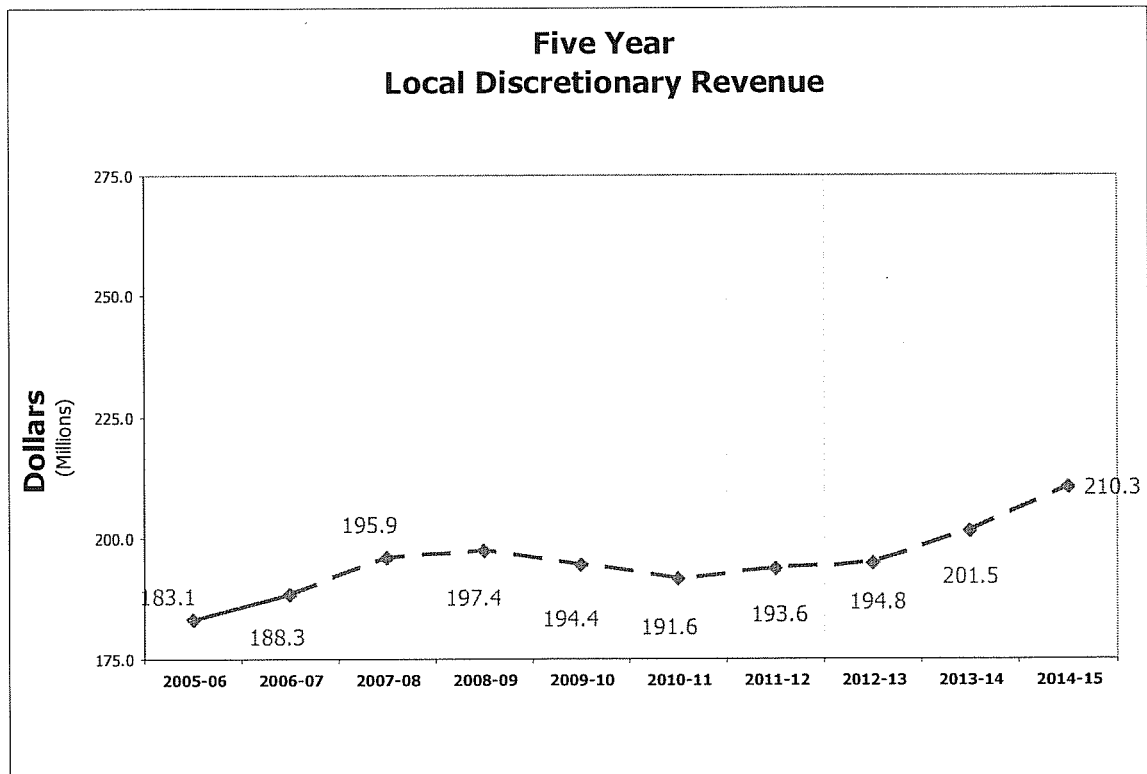
How much one-time can be spent to get through this trough? When does it get better? Show a 10-year graph by economists and the County's 5-year revenue projection.

Report Back by:

Jason Stilwell, Assistant County Executive Officer, County Executive Office

Response:

Local discretionary revenue growth is expected to be flat in FY 2010-11 with estimated growth of \$2.0 million in FY 2011-12. Salary and benefit expenditures that are paid for by this revenue, however, are expected to grow by \$5.7 million in FY 2011-12.

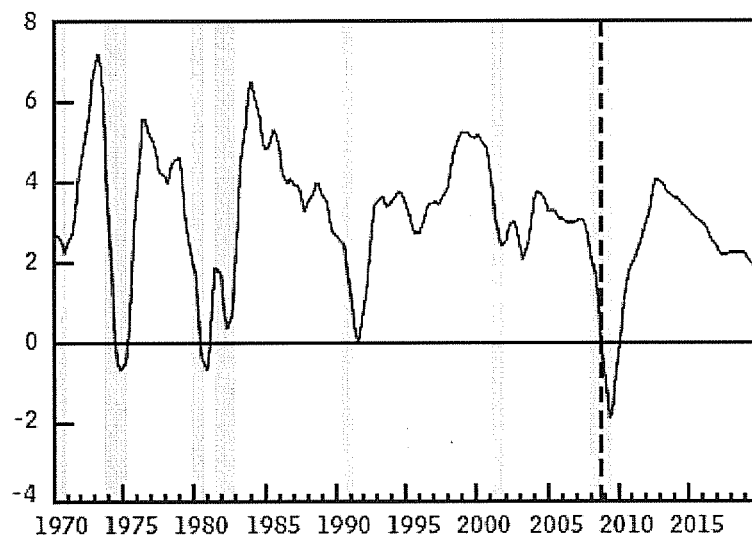


Response (Continued):

County projections are in line with national projections. The charts below show Congressional Budget Office (CBO) projections through 2019 of personal consumption expenditures and other major economic indicators. The CBO anticipates approximately 2% growth in personal consumption expenditures in 2011, increasing to approximately 4% growth in 2014. In the late 1990s, growth remained at around 5% each year and in the early 2000s remained at approximately 4%. After the steep decline in consumer spending in 2008 and 2009, the anticipated growth of 2% in 2011 will not nearly bring back the spending level to prior levels.

Real Personal Consumption Expenditures, 1970 to 2019

(Percentage change from previous year)



Sources: Congressional Budget Office; Department of Commerce, Bureau of Economic Analysis.

Note: Data are quarterly and are plotted through the fourth quarter of 2019.

CBO's Year-by-Year Forecast and Projections for Calendar Years 2009 to 2020

	Estimated 2009	Forecast		Projected								
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Nominal GDP (Billions of dollars)	14,253	14,706	15,116	15,969	16,918	17,816	18,622	19,425	20,231	21,033	21,882	22,770
Nominal GDP (Percentage change)	-1.3	3.2	2.8	5.6	5.9	5.3	4.5	4.3	4.1	4.0	4.0	4.1
Real GDP (Percentage change)	-2.5	2.2	1.9	4.6	4.8	3.9	2.9	2.5	2.3	2.2	2.2	2.3
GDP Price Index (Percentage change)	1.2	0.9	0.9	1.0	1.1	1.3	1.6	1.7	1.8	1.8	1.8	1.8
PCE Price Index ^a (Percentage change)	0.2	1.9	1.1	1.1	1.1	1.3	1.6	1.7	1.8	1.8	1.8	1.8
Core PCE Price Index ^b (Percentage change)	1.5	1.2	1.0	1.0	1.0	1.3	1.5	1.7	1.7	1.8	1.8	1.8
Consumer Price Index ^c (Percentage change)	-0.2	2.4	1.3	1.2	1.1	1.3	1.7	1.9	2.0	2.0	2.0	2.0
Core Consumer Price Index ^d (Percentage change)	1.8	1.5	1.0	0.9	1.0	1.3	1.7	1.9	2.0	2.0	2.0	2.0
Employment Cost Index ^e (Percentage change)	1.5	1.6	1.4	2.1	2.5	2.9	3.0	3.0	3.0	3.0	3.0	3.0
Unemployment Rate (Percent)	9.3	10.1	9.5	8.0	6.3	5.3	5.1	5.0	5.0	5.0	5.0	5.0
Three-Month Treasury Bill Rate (Percent)	0.1	0.2	0.7	1.9	3.0	3.9	4.2	4.4	4.7	4.8	4.8	4.8
Ten-Year Treasury Note Rate (Percent)	3.2	3.6	3.9	4.2	4.5	4.9	5.2	5.4	5.6	5.6	5.6	5.6
Tax Bases (Billions of dollars)												
Domestic economic profits	990	1,263	1,307	1,387	1,462	1,487	1,471	1,468	1,484	1,506	1,542	1,588
Wages and salaries	6,329	6,517	6,671	7,149	7,624	8,061	8,445	8,818	9,189	9,554	9,938	10,365
Tax Bases (Percentage of GDP)												
Domestic economic profits	6.9	8.6	8.6	8.7	8.6	8.3	7.9	7.6	7.3	7.2	7.0	7.0
Wages and salaries	44.4	44.3	44.1	44.8	45.1	45.2	45.3	45.4	45.4	45.4	45.4	45.5

Sources: Congressional Budget Office; Department of Commerce, Bureau of Economic Analysis; Department of Labor, Bureau of Labor Statistics; Federal Reserve Board.

Notes: Percentage changes are measured from one year to the next.

GDP = gross domestic product; PCE = personal consumption expenditure.

- The personal consumption expenditure price index.
- The personal consumption expenditure price index excluding prices for food and energy.
- The consumer price index for all urban consumers.
- The consumer price index for all urban consumers excluding prices for food and energy.
- The employment cost index for wages and salaries of workers in private industry.

Board Inquiry Form

Board Member	
Carbajal	
Wolf	
Farr	
Gray	X
Centeno	

Department: Fire and Sheriff

Date: 2/23/2010

CCPP Pages(s): Fire page 18 \$1.1M and Sheriff page 30 \$837.4K

Request/Question:

Why can't the Fire aviation unit and Sheriff aviation unit be combined reducing overall operational expenditures?

Report Back by:

Sheriff Bill Brown

Fire Chief Michael Dyer

Response:

The Fire Chief and Sheriff have forged a strong working relationship and have been working together on establishing an integrated aviation unit since the Fire Chief's arrival in September, 2009. All of the following have been accomplished thus far:

- ◆ Multiple Executive Management meetings between Sheriff and Fire
- ◆ Established a Joint Aviation Committee that will meet monthly to develop a joint
 - Training plan
 - Minimum qualifications for pilot and crew chief
 - Equipment
 - Maintenance plan
 - Redundant response plan
 - Staffing plan
- ◆ Developed a joint mission statement
- ◆ Developed a joint policy commitment and standard operating guidelines that were signed by the Sheriff and Fire Chief
- ◆ Established a joint operation structure to ensure clear communication and accountability
- ◆ The Sheriff and Fire Chief conducted a meeting of all air crew, supervisors and support staff, and a joint team-building training session for the same personnel is scheduled for April 2, 2010.

Currently, Sheriff and Fire share costs for the aircraft maintenance hangar, and share certain equipment and training costs. Sheriff and Fire will continue to analyze additional economies such as staffing schedules, and sharing of aircraft in the future.

Board Inquiry Form

Request:**Board Member**

Carbajal	
Wolf	✓
Farr	
Gray	
Centeno	✓

Department: County Executive Office

Date: March 2, 2010

CCPP Pages(s):

Request/Question:

Please come back with revenue ideas.

Report Back by:

Michael F. Brown, CEO

Response: REVENUE OPTIONS FOR CONSIDERATION

In August of 2005, as part of the *2005 Strategic Scan* the Board of Supervisors was presented scenarios which hypothesized several possible and attainable futures for the County. From a global perspective, these four scenarios looked at a number of different conditions existing in the County and examined likely outcomes should any one scenario be pursued and ultimately achieved. The four scenarios included:

- Incremental Approach
- Resource Preservation-Eco Preservation
- Capital Investment
- Village/Rural Retreat

(Please reference **Attachment B** for characteristics of all scenarios)

During the *2005 Strategic Scan* process, a joint hearing between the Board of Supervisors and Planning Commission was held to inform and extract a preferred policy path, given the scenarios presented. During such discussion the Village Rural Retreat/scenario emerged as a feasible scenario. This particular scenario afforded the County the greatest opportunity to address critical issues previously identified via an examination of trend data. Critical Issues identified based on an examination of trends included:

- Financial Stability of the County
- Sustainable agriculture
- Highly efficient transportation systems
- Housing for all segments of the population
- Maintaining a well educated trained workforce
- Environmental and open space preservation
- Human service needs
- Accommodation of demographic changes

(Please reference **Attachment C** for scenarios responsiveness to critical issues)

However, for one reason or another, the creation of village centers, a key component of the village/rural retreat proposal, did not take place. It should be noted that neither the capital investment nor the resource preservation scenario gained traction either. The capital investment strategy option quickly waned with the growing state and federal budget crisis which inevitably restricted extensive investment in significant capital projects. The only potential exceptions to the lack of investment are passage of local measures to facilitate roadway maintenance and expansion as well as the State wide water infrastructure bond proposed for the November 2010 ballot. The demise of the resource preservation scenario is readily seen in the abandonment of the proposed Regional Conservation Strategy in March of 2008.

Therefore, over the last five years it is apparent the incremental scenario has continued. This is illustrated in **Attachment A**, Key Decisions. This listing of key decisions reflects both approval and denial of a number of potential revenue generating and business

development opportunities/projects. The components of the incremental scenario include:

- Maintain current level of service
- Incremental increase or decrease to budget given modest increase in revenue
- Preserve slow growth patterns of land use
- Moderate transitions to ranchettes in North County
- Infill in South County
- Moderate expansion into North County agricultural areas

Modest gains which have occurred with the incremental approach as envisioned have been eliminated by the current economic crisis. This scenario represents a *laisse fair* approach to economic enhancement and diversification and neglects the need for targeted and strategic approaches.

Revenue growth and diversification requires a concerted and aggressive strategy to work with stakeholders to improve the local economy. It must enhance competitiveness and ensure sustainable economic growth. Priority focus areas for revenue generation and diversification of the overall County revenue base may include but are not limited to the following:

1. Development of Business Friendly Culture
 - a. Reengineering the entitlement process to recognize job creating business and high value revenue development and redevelopment proposals
 - i. Develop Form Based Code to articulate desired form, bulk and scale of projects and promote preferred development options. (pertains to village centers, redevelopment and gray field conversion items below as well)
2. Policy to Encourage Estates and Ranchettes
 - a. High value/low cost i.e. use of services
3. Encourage Village Centers
 - a. Redevelopment of existing areas
 - b. Development of new areas which promote job creation and diverse revenue base
4. Encourage County Inn and Boutique Hotels
 - a. 30+/- rooms which enhance/reflect unique character of communities
5. Gray Field Development
 - a. Redevelopment of existing strip malls to address community needs and new land use and sustainable community standards to include mixed use housing and commercial needs (Form based code)
 - b. Redevelop corporate centers to address growth in clean industry
6. Explore Revenue Capacity of Mineral Resources
 - a. Oil and Natural Gas production
 - i. Oil and Natural gas prices anticipated to increase consistently over multiple decades)

- ii. Estimated \$6 billion in all projects gross revenue potential for projects for 2018 -2029.
 - b. Onshore & Offshore
 - c. Royalty sharing (legislation required)
 - d. Increased property tax (estimated \$370 million per year *peak* – all agencies, \$85million additional to County)
 - e. Increased sales taxes
 - f. Increase employment opportunities
- (Oil and Gas Information from: Mark Schniepp – California Economic Forecast October 2008)

- 7. Wind Energy and Solar Array Fields
- 8. Promote Green Industry
 - a. Manufacturing
 - b. Research
 - c. Development
- 9. Normalize Relations with The Chumash Tribe
 - a. Previously the tribe indicated interest in Alisal like project – unknown if there is continued interest in project of this nature
- 10. Work with Vandenberg AFB to pursue additional command(s)
 - a. Military air transport
 - b. Fighter wing
- 11. Establish boutique horse racing to expand upon existing breeding industry
 - a. Keeneland - Lexington Ky.
 - i. Short Season
 - ii. Locate on edge of urban boundaries
 - iii. Catalyze future investment in industry
 - iv. Partner with track operator to secure revenue via para-mutual betting. Tele-track currently exist in Santa Maria and Santa Barbara.
- 12. New Fees and Taxes
 - a. Full cost recovery for all services provided unless subsidy policy from Board is adopted.
 - b. County wide tax increase (**Reference Attachment E**)
 - i. Parcel Tax (potential revenue generated between \$6m - \$31m)
 - ii. Sales Tax (potential revenue generated between \$15m - \$60m)
 - iii. Public Safety Benefit Assessment District (potential revenue generated between \$6m - \$31m)

Attachments:

- A. Key Decisions
- B. 2005 Strategic Scan Scenarios and Characteristics
- C. Scenario Responsiveness to Critical Issues
- D. 2010 Adopted Legislative Platform Item –Economic Enhancement Revenue Diversification
- E. Funding Alternatives
- F. Potential Strategic Revenue Alternatives



Key Decisions

In August 2005, as part of the 2005 Strategic Scan, four learning scenarios were presented to the Board of Supervisors regarding a possible future available to the County based on decisions rendered related to fiscal and land use policies. These scenarios included the (1) Status Quo/Incremental, (2) Resource Preservation, (3) Urban Villages and (4) Capital Intensive. A summary of the major decisions that have transpired since the 2005 Scan are highlighted below and indicate that the overall scenario prescribed has been one of resource preservation, although a few decisions have elements of other scenarios.

1. Clubhouse Estates Subdivision and Open Space Dedication

Purpose: Approval of a 54 parcel subdivision of 162 acres in Vandenberg Village; 52 residential lots, one storm-water detention basin lot, and a 120 acre open space lot to be dedicated to the State Department of Fish & Game.

Action: Planning Commission voted 5-0 on August 3, 2005 to approve the project.

Scenario: Resource Preservation.

2. Coral Casino

Purpose: Allow the Four Seasons Biltmore to rehabilitate the Coral Casino to add 2,900 square feet of building area and 2,054 square feet to an existing facility in Montecito.

Action: Board of Supervisors voted 5-0 on November 22, 2005 to deny the appeal and uphold the Montecito Planning Commission's October 28, 2005 approval of the Coral Casino Selective Salvage Plan for the first phase of construction on November 22, 2005. The Coral Casino Historical Rehabilitation Plan received project approval by the Montecito Planning Commission on May 5, 2005. The project and project monitoring is now complete.

Scenario: Resource Preservation: Allows rehabilitation and expansion of existing Coral Casino in conformity with community character after several years of public hearings.

3. Montecito Growth Management Ordinance Renewal

Purpose: Extend the Montecito Growth Management Ordinance (originally adopted in 1991) for another five years past its December 31, 2010 sunset date, limiting residential construction if resource and service constraints continue to pose threats to public health and safety.

Action: Board of Supervisors voted 4-1 on December 6, 2005 to continue the Ordinance for five additional years. An extension of the Montecito Growth Management Ordinance past December 31, 2010 will be considered in the fall of 2010.

Scenario:

Incremental: Limits growth due to resource and service constraints, specifically, fire protection; water supply; and traffic and circulation constraints.

4. Regional Conservation Strategy

Purpose: Establish long-term regional conservation strategy to improve the protection of California tiger salamander while improving the land development process for landowners within the salamander's range in northern portion of the County.

Action: Board of Supervisors voted 4-1 on March 28, 2006 to adopt a conservation strategy and develop a conservation strategy team with US Fish and Wildlife and City of Santa Maria. 5-0 vote by Board of Supervisors on March 25, 2008 to discontinue staff work on this project.

Scenario:

Resource Preservation: Preserve unique habitats and environments. However, discontinuing the project may be an example of incremental approach as well.

5. Cavaletto Tree Farm Housing Project

Purpose: Convert approximately 26 acres of urban agricultural property (tree farm) to residential.



Santa Barbara County

Action: Board of Supervisors voted 4-1 (abstention) on December 5, 2006 to approve two appeals for initiation of higher effective density of 5.5 units per acre. Planning Commission voted 3-1-1 on June 7, 2006 to initiate General Plan amendment with density of 3.3 units instead of applicant requested density

of 6.6 units per acre. The applicant submitted a general plan amendment, rezone, tract map, development plan, and lot line adjustment. The project now also includes a small land swap on the western side with the County of Santa Barbara Parks Department. Consultant selection for preparation of the next milestone, planned for Fall '09, is project "completeness" and start of work on the Environmental Impact Report (EIR) is in progress.

Scenario:

Incremental: Requested density was considered too great for the area, which would have allowed more housing units.

Resource Preservation: Restrictions on increase in residential/commercial/agricultural expansions, although comprise on allowable density between applicant and Planning Commission. Drainage and Flood Control improvements are required.

6. Westmont College Master Plan

Purpose: Approval of Westmont College's Conditional Use Permit to update its Campus Master Plan, which would allow 345,000 additional square feet of new development over 2-3 decades, but keep student enrollment at the maximum of 1,235 students.

Action: Board of Supervisors voted 4-0 (1 absent) on February 6, 2007 to deny citizen group appeal of Montecito Planning Commission's approval of the conditional use permit on November 11, 2006. Main reasons for appeal were incompatibility with Montecito Community Plan and traffic impacts. Montecito Planning Commission voted 5-0 to approve permit with 116 conditions of approval after conducting ten hearings on the project. The initial phase of construction began in October 2008, and is expected to continue through early 2011, after which there will be a mandatory quiet period before the second phase of construction commences.

Scenario:

Resource Preservation: Allowed campus to pursue moderated expansion over time with numerous conditions attached to conditional permit to ensure compatibility with community characteristics.

7. North Hills General Plan Initiation

Purpose: Amend Comprehensive Plan to allow mixed use master planned community of 7,500 residential units and 2 million square feet of commercial/retail space on 3,000 acres south of Orcutt.

Action: Board of Supervisors withdrew item from July 10, 2007 agenda. Planning Commission voted 4-1 on June 12, 2007 against the Initiation of a Comprehensive Plan Amendment for the site, which would result in the County not studying the concept of a rural village at the project site.

Scenario:

Incremental: Land use values preserve slow growth patterns, maintains "status quo" by not allowing new land use designation to develop master planned community.

Resource Preservation: Restrictions on increase in residential/commercial/agricultural expansions, strict growth boundaries

8. Isla Vista Master Plan

Purpose: Rezones approximately 260 acres in the Isla Vista Redevelopment Project Area to allow for higher density multifamily residential opportunities, including affordable housing; revises County transportation policies to allow infill projects and reduce automobile dependency; revitalizes downtown area through zoning updates and incentive-based program to facilitate mixed use development, consolidation of irregularly shaped parcels, and infrastructure investments in downtown Isla Vista.

Action: Board of Supervisors voted 5-0 on August 21, 2007 to adopt IV Master Plan and amend County Comprehensive Plan. Adoption of the plan is pending with the California Coastal Commission.

Scenario:

Capital investment: Accommodates increased population and job growth, adjacent to existing employment centers (UCSB students and workforce); establishes mechanism to fund housing and



infrastructure (through redevelopment bonds); and, increases program specific revenues. Growth requires approved projects.

Resource Preservation: By allowing for innovative housing opportunities and commercial development in appropriate unincorporated communities, such as Isla Vista, State-mandated rezones are avoided in other unincorporated communities; at the same time, the region's continued economic vitality is supported through a coordinated response to changing demographics and market preferences.

9. Agricultural Preserve Uniform Rules Update

Purpose: Amend the Uniform Rules for Agricultural Preserves and Farmland Security Zones that govern the County's implementation of the Agricultural Preserve tax credit program, established by the CA Land Conservation Act of 1965 (Williamson Act) to increase clarity and flexibility of the Uniform Rules to ensure continued and expanded participation in the County's Agricultural Preserve program.

Action: Board of Supervisors voted 4-1 on September 25, 2007 to amend Uniform Rules to: Allow agricultural processing facilities to 30 acres; wineries to a limit of 20 acres; commercial composting to a limit of 20 acres; and add duck hunting and wind farms as compatible uses on contacted land. Guest ranches, golf courses, the Agricultural Industrial Overlay, and landfills were eliminated as appropriate uses. Rules regarding allowances for principle dwellings were amended to provide clarification. Filming and special events were also added as compatible, allowed uses.

Scenario:

Resource Preservation: Promotes and preserve unique environment (i.e. rural lands and agriculture) and attempts to maintain socio-economic characteristics of county (i.e. limits places where agriculture can occur and nature of agriculture) restricts increases on agricultural expansions/business growth to some degree

Capital Intensive: Supports economic development of agricultural through relaxing regulatory restrictions on agricultural support facilities (i.e. cooling and processing facilities)

10. Ordinance 661 Consistency Rezone

Purpose: Unify zoning and permitting process for landowners in the San Antonio Creek and Santa Maria Valley areas of northern Santa Barbara County. The project also reduced time and costs that were necessary to determine application consistency with the General Plan and Land Use Development Code

Action: Board of Supervisors voted 5-0 on October 9, 2007 to adopt consistency rezone amendment and General Plan amendment for previous Ordinance 661 zoned parcels in the Santa Maria Valley and San Antonio Creek Rural Regions to comparable agricultural zoning designations.

Scenario:

Incremental: Reliance on case-by-case consistency determinations and rezones aligned a portion of the County with zoning standards applicable throughout the County; consistency did not significantly affect pre-existing opportunities for growth.

11. Orcutt Union Plaza Development

Purpose: Approval of a 97,000 square foot mixed-use commercial development and 6 apartments on 8 acres in Old Town Orcutt.

Action: Planning Commission voted 5-0 on November 14, 2007 to approve the project.

Scenario: Incremental provision of commercial services and affordable housing.

12. Formation of Summerland Planning Advisory Committee

Purpose: To establish a Summerland Planning Advisory Committee to lead an update to the 1992 Summerland Community Plan by developing commercial and residential design guidelines, updating architectural review (BAR) guidelines and updating parking and traffic circulation sections of the Plan.

Action: Board of Supervisors voted 5-0 on November 27, 2007 to create the Summerland Planning Advisory Committee. A draft of Summerland Residential and Commercial Design Guidelines and a draft update to the Traffic, Circulation, and Parking Chapter of the Community Plan have been completed and environmental review of the proposed changes is underway.



Scenario:

Unknown at this time until the draft EIR is complete. However, nature of Plan updates being deliberated by SUNPAC indicates resource preservation or incremental scenario.

13. Lucas and Llewellyn Winery Development

Purpose: Approval of a 75,000 square foot winery facility on 30 acres in Los Alamos.

Action: Planning Commission voted 5-0 on March 12, 2008 to approve the project.

Scenario: Resource Preservation (agriculture and agricultural viability).

14. UCSB LRDP 2025/DEIR Release

Purpose: On March 23, 2008, UC Santa Barbara released its long range development plan outlining proposed enrollment and educational goals for the period of 2008-2025, including a one percent increase in student enrollment over five years (bringing student enrollment to 25,000) and increasing academic space by 1.8 million square feet.

Action: In progress. County has submitted comments on the re-circulated Draft EIR and is negotiating with the University on mitigation for impacts to County services resulting from the proposed expansion.

Scenario: Aspects of capital intensive scenario as plan will preserve open space and accommodate increased population and job growth through creation of additional housing and alternative transportation options. However, this assumption is predicated upon UCSB paying its fair share of capital and maintenance costs related to impacts to County services and infrastructure (transportation, fire and sheriff services). The growth in population and scale of proposed development contemplated by the LRDP (on campus and in Isla Vista) is without precedent in the unincorporated areas of the County.

15. Orcutt Village Marketplace Development

Purpose: Approval of a 320,000 square foot shopping center and professional offices on 24 acres in Orcutt.

Action: Planning Commission voted 5-0 on April 9, 2008 to approve the project. CUPs for drive-through lanes, mechanical car wash, and walls exceeding ordinance standard were approved on a 3-2 vote.

Scenario: Incremental.

16. More Mesa Biological Resource Study

Purpose: Property owner (Sinclair Real Estate) of More Mesa requesting County Planning and Development undertake a comprehensive biological resource study of More Mesa, as required by Development Standard of the Goleta Community Plan, prior to accepting any increase in the developable area of More Mesa depicted in the Goleta Community Plan or any increase in the number of allowable residential units.

Action: Board of Supervisors vote 5-0 on April 15, 2008 to approve and execute a professional services contract with Rincon Consultants for preparation of a biological resource study of More Mesa. Biological study began in April 2008 and is expected to be completed in fall 2009 pending completion.

Scenario:

Resource Preservation: A comprehensive biological study is being undertaken due to the unique environment and habitat of this area as well as the requirement of the 1993 Goleta Community Plan, which stipulates specific steps that must be taken prior to pursuing any planned development on More Mesa, including preparation of a biological study.

17. 2007-2014 RHNA Plan

Purpose: Represents an important first step in implementing a smarter regional planning framework – one that directs growth away from rural areas, towards job centers and existing urban areas/cities, consistent with recent state legislation (i.e., SB 375 and AB 32).

Action: Santa Barbara County Association of Governments Board voted 10-3 on June 19, 2008 to adopt the Final RHNA Plan.

Scenario:

Resource Preservation: By directing housing to exiting and future job centers, other areas of county are able to maintain resource preservation mode.



18. Gaviota Coast Plan and GavPAC Appointment

Purpose: The Gaviota Coast Plan is a multi-year planning effort to update the Santa Barbara County Comprehensive Plan and Coastal Land Use Plan policies and standards as they pertain to the Gaviota Coast. The Plan will provide a pathway to engage Gaviota Coast stakeholders in a collaborative process to establish new policies, programs, and planning tools to enhance and strengthen ongoing resource conservation and agricultural stewardship in order to protect the resources of the Gaviota Coast for future generations.

Action: Board of Supervisors voted 3-2 on August 18, 2008 to have CEO examine the requirements, time line and costs for a General Plan/Local Coastal Plan update for the Gaviota area and to return to the Board as appropriate and directed staff to continue working with all stakeholders to explore all potential opportunities for land conservation. In June 2009, Board of Supervisors voted unanimously to fund the Plan; the Gaviota Coast Planning Advisory Committee; appointment of the Gaviota Coast Planning Advisory Committee (GavPAC) members have been appointed, and the committee has begun preparation of the Gaviota Coast Plan, beginning with data collection, public outreach, and meetings with a Gaviota Planning Area Committee.

Scenario:

Resource Preservation: Enhance and strengthen ongoing resource conservation and agricultural stewardship.

19. Formation of Goleta Valley Planning Advisory Committee

Purpose: To establish a Goleta Valley Planning Advisory Committee to update the 1993 Goleta Community Plan including integration of elements from Goleta Vision Committee.

Action: Board of Supervisors voted 5-0 on September 2, 2008 to create the Goleta Valley Planning Advisory Committee. The GVPAC is in the process of drafting the Goleta Valley Plan.

Scenario:

Unknown at this time until the draft EIR is complete. However, GVPAC created to reflect the incorporation of the City of Goleta and other changes influencing the 1993 planning area while addressing current concerns including transportation, housing, environmental protection and agriculture. Approach to dealing with concerns likely to be incremental or resource preservation based on Board of Supervisors' decision on March 18, 2008 to apply provisional planning to the two different supervisorial districts that comprised the Goleta Valley until the Goleta Community Plan is adopted. The Board, via a 4-1 decision, adopted the provisional planning and suspended all rezone and general plan amendments in the second supervisorial district until the Goleta Community Plan is completed, unless the Planning Commission finds a project to be of a public benefit.

20. 2003-2008 Housing Element Rezone

Purpose: Utilize the community planning process and the newly adopted IV Master Plan to enable community members to determine how to address housing needs in the County's unincorporated areas. Address any remaining housing need not accommodated by the community planning process through a State-mandated rezone program.

Action: Board of Supervisors voted 5-0 on September 9, 2008 to amend the Housing Element to reflect the number of new units that could be built as a result of the adoption of the IV Master Plan. This was followed with the adoption of the Focused Rezone Program on February 24, 2009 to address remaining housing need, consistent with State law. These actions enabled the Housing Element to remain certified through the end of the planning period (August 31, 2009).

Scenario:

Capital investment: Supports the accommodation of increased population and job growth in appropriate areas such as Isla Vista, adjacent to existing employment centers (UCSB students and workforce).

Incremental: State-mandated rezone sites (Orcutt Key Sites 3 and 30) are within a designated community plan area; however, sites were rezoned from lower intensity uses (Agriculture and Rural Residential) to higher intensity multifamily designation.

Resource Preservation: By providing significant housing opportunities in Isla Vista, the number of required rezone sites elsewhere was dramatically reduced.



21. Transfer Development Rights Ordinances

Purpose: Adoption of ordinances to implement transfer development rights from the Naples Town site to the unincorporated areas of the South Coast and for the Montecito planning area.

Action: Board of Supervisors voted 3-1 (1 absent) on September 16, 2008 to adopt ordinances, currently pending certification by the California Coastal Commission.

Scenario:

Preservation: Implement a transfer of development rights program to direct growth toward existing urban areas and preserve the Gaviota Coast.

22. Los Alamos Community Plan Draft EIR Initiated

Purpose: Amend the 1994 Los Alamos Community Plan, including developing a form-based development code to alleviate current county zoning constraints in order to facilitate new residential and commercial development, including "in-fill" development on historic Bell Street.

Action: 4-1 vote by Board of Supervisors on September 23, 2008 to initiate environmental review for the draft Los Alamos Community Plan update, Form-Based Code, and Design Guidelines. The Draft EIR for the plan was released September 25, 2009. Planning Commission adoption hearings are projected for spring 2010.

Scenario:

Urban Village: Through the adoption of a form-based development code and street improvement plan, the Community Plan incentivizes development in the existing commercial core by offering a more certain and streamlined process for future development projects. .

Not incremental because Infill in North County instead of South County, "spot zoning" is customized to area and proposed development and County zoning restrictions are alleviated to allow development. Financial feasibility study initiated to determine how zoning regulations, such as parking requirements, height restrictions, and residential limitations, affect the financial viability of development projects. New zoning of commercial mixed use crafted specifically for Los Alamos. In response, County staff developed a form-based development code to alleviate identified zoning constraints.

23. Diamond Rock Sand and Gravel Mine

Purpose: Approval of new Diamond Rock Sand and Gravel Mine and Processing Facility on 133 acres located in the Cuyama River channel to allow mining from 10/1/08 thru 9/30/38.

Action: Board of Supervisors voted 3-2 on September 23, 2008 to deny appeal and approve project. Planning Commission voted 4-0 on May 14, 2008 for final approval of project and placed conditions of approval to reduce the size and scope of the project, primarily in terms of reducing truck travel by 20% in the Cuyama Valley and Ojai. Since the Board's approval of the project, appellants have sued the County and further movement on the project is on hold pending results of litigation.

Scenario:

Resource Preservation: Restriction on truck travel due to impact to traffic and air quality. Utilization of a natural resource for a finite period of time, with reclamation Plan to restore site to agricultural use upon completion of mining activities.

24. Mission Canyon Community Plan

Purpose: Convert the 1984 Mission Canyon Specific Plan to a Community Plan which includes residential design guidelines, as well as land use and development code regulations reflective of the community's preferences.

Action: Board of Supervisors voted 5-0 on October 7, 2008 to initiate environmental review of the draft Mission Canyon Community Plan, Residential Design Guidelines, and Land Use and Development Code amendments. A DEIR on the plan is projected to be released for public review in Spring 2010.

Scenario:

Resource Preservation: Reflects community's preference to preserve the characteristics of the neighborhood through strict growth boundaries and restrictions on residential growth.



25. PXP Tranquillon Ridge oil and gas lease

Purpose: Allow Plains Exploration & Production Co. (PXP) to develop and transport oil and gas from the proposed Tranquillon Ridge oil and gas lease(s) in State tidelands and process this production at the Lompoc Oil and Gas until December 31, 2022 by using extended reach drilling from Platform Irene.

Action: Board of Supervisors voted 4-1 on October 7, 2008 to deny appeals and approve the project. Planning Commission voted 4-0-1 on April 21, 2008 to approve the project. Subsequently, the California State Lands Commission denied PXP's application for an oil and gas lease to proceed with the project. PXP plans to return to the California State Lands Commission for reconsideration.

Scenario:

Resource Preservation: Allowed use of natural resource to generate revenue, but project was on an existing lease, included a sunset date and donated land to conservation groups.

26. Santa Barbara Ranch/Naples

Purpose: Resolve litigation and potential litigation and comprehensively plan the Naples antiquated lots. The project includes development of 71 residential estates and permanent preservation of approximately 3,249 acres of agricultural land.

Action: Board of Supervisors voted 3-2 on October 21, 2008, revised December 9, 2008. On November 3, 2009, the Board of Supervisors voted 3-2 to rescind the Board's previous approval of the Coastal Development Agreement and vacated its previous authorization for the owners of Dos Pueblos Ranch to seek their own Development Agreement.

Scenario:

Resource Preservation: Project was designed and conditioned to require preservation of biological and cultural resources, and significant permanent preservation of agricultural lands. A Transfer of Development Rights ordinance was developed in parallel with the project to provide the potential of transferring development of rural antiquated lots to the urban areas of the south coast.

27. Miramar Hotel

Purpose: Redevelop the Miramar Hotel in Montecito with new buildings including main building, meeting room and conference facilities, underground parking, ballroom, spa, beach and tennis club, swimming pools and two restaurants and beach bar (net 164,849 square feet).

Action: Board of Supervisors voted 4-1 to deny the appeal and approve the project on December 9, 2008 after the Montecito Planning Commission voted 4-1 on October 8, 2008 to approve the project. Project was subsequently appealed to the California Coastal Commission by Citizens Planning Association and the Harfinests. Coastal Commission appeal was resolved and withdrawn on April 6, 2009. Applicant is currently working to clear the conditions of approval. Next step is to return to the Montecito Board of Architectural Review for preliminary and final approvals. A time extension request is scheduled for consideration by the Board of Supervisors on March 16, 2010.

Scenario:

Resource Preservation: The hotel was approved after numerous public hearings and project modifications to conform to the community characteristics of Montecito

28. Trigo Loop

Purpose: As a demonstration of the viability of new zoning and incentives provided through the Isla Vista Master Plan, this mixed use project will consolidate two adjacent lots, build 24 multifamily housing units (including five price-restricted affordable units), and several thousand square feet of commercial space on a small site (0.38 acre). The project will be built at a density of approximately 65 units per acre, include a mix of 1, 2, and 3-bedroom units, and provide new dynamic housing opportunities for working professionals and other members of the Isla Vista community.

Action: the Planning Commission originally approved this project on December 3, 2008; however this decision was appealed by the California Coastal Commission staff. Following work with the CCC and a redesign, on September 16, 2009 the Planning Commission unanimously reapproved the project.



Scenario:

Capital investment: Accommodates increased population and job growth (UCSB students and workforce), establishes mechanism to fund housing and infrastructure (through redevelopment bonds), increases program specific revenues, growth depends approved projects.

Resource Preservation: By providing significant housing opportunities in Isla Vista, the number of required rezone sites elsewhere has been reduced.

29. Lompoc Wind Energy

Purpose: Pacific Renewable Energy Generation LLC has applied for a Major Conditional Use Permit and amendment to the Zoning Ordinance to install and operate 65 wind turbines, onsite collector power lines, electrical substation, operations and maintenance building, and other ancillary facilities near Vandenberg Air Force Base, south of Lompoc.

Action: Board of Supervisors voted 4-0-1 (with 1 recused)) on February 10, 2009 to deny an appeal of the Planning Commission's approval brought by neighbors. Planning Commission voted 5-0 on September 30, 2008 to approve project with revised conditions. Since the Board's approval, Acciona has moved forward with construction plans. Meanwhile, the appellant has filed suit against the County, alleging that the project's approval is inconsistent with the County's General Plan and Land Use and Development Code, and is based on inadequate environmental analysis.

Scenario:

Resource Preservation: Develop electricity through renewable wind energy by deploying as many as 65 wind turbines on the ridges of the Miguelito Canyon area, southwest of Lompoc.

30. Climate Change Guiding Principles and Climate Action Strategy

Purpose: The nexus between actions to reduce GHG emissions, countywide economic vitality, public health and safety, and conservation planning is clear. Accordingly, a coordinated and centralized approach to regional climate policy was proposed through the Climate Change Guiding Principles and a new project to establish a comprehensive Climate Action Strategy (CAS) and Implementation Plan. Together, both the Guiding Principles and the CAS position the County to achieve cost-effective regulatory compliance and access resources made available through the American Recovery and Reinvestment Act (ARRA) to sustain and protect the regional quality of life.

Action: Adoption of the Santa Barbara County Climate Change Principles occurred on March 17, 2009; in addition, the Board directed staff to move ahead with development of a CAS.

Scenario:

Capital investment: The Guiding Principles and the CAS recognize the importance of investment in regional transportation solutions, renewable energy resources, and activities to revitalize the built environment and improve the performance of existing buildings. Such activities incentivize economic vitality and demonstrate a positive link between greenhouse gas emissions reductions and job creation.

Resource Preservation: This policy framework values the County's rural heritage for opportunities to sequester carbon, incubate new agricultural practices, and provide new fuel sources. In alignment with the State's new planning framework, growth will be directed towards existing urban areas and employment centers to minimize the length of trips, reduce commute pressures, and lower transportation-related GHG emissions.

31. Creekside Apartments

Purpose: The Creekside Apartment project, which is located in the unincorporated community of Los Alamos, is designed to address the needs of households where at least one member is employed full-time in the local agriculture industry. The project was funded by the Housing Authority of Santa Barbara County, and consists of a 39-unit rental apartment project. All of the units will be rented at rates considered affordable to very- low and low-income households. The project consists of nine buildings throughout the site, and will include two, three, and four-bedroom units, as well as a community center.

Action: Board of Supervisors voted 3-1(abstain)-1(absent) to approve the project on May 19, 2009, after the Planning Commission approved the project on April 8, 2009.



Scenario:

Resource Preservation: The Creekside Apartments site is under an existing Affordable Housing Overlay zoning designation, within the Los Alamos community planning area. This project helps demonstrate that existing zoning and the community planning process can adequately address the County's affordable housing needs.

32. Energy Efficiency and Solar Finance District

Purpose: The built environment is responsible for approximately 25 percent of GHG emissions statewide. Simple measures to increase the energy efficiency of existing buildings, such as installing new window, doors, or hot water heaters, constitute a tremendous opportunity to improve building performance and lower GHG emissions. When coupled with the installation of renewable energy technology, such as solar panels, existing buildings can actually generate more energy than they use. Legislation enacted in 2008 (AB 811) enables local jurisdictions to set up programs, whereby voluntary loans may be made and amortized over twenty years, enabling property owners to undertake desired improvements.

Action: Board of Supervisors voted 5-0 on June 23, 2009, directing staff to study the feasibility of a regional energy efficiency and solar finance district. On December 1, 2009, the Board directed staff to implement a program, which is expected to be finalized on April 13, 2010.

Scenario:

Capital investment: As an early implementation measures of the CAS, this program aims to incentivize the significant financial investment necessary for revitalizing the existing building stock. Upwards of \$100 million in private investment can be induced regionally through this program. Such activities promote economic vitality and demonstrate a positive link between greenhouse gas emissions reductions and job creation.

Resource Preservation: This policy framework focuses on the revitalization of existing buildings, rather than new development. Notably, approximately 80 percent of the existing homes in the County were built prior to 1990, indicating a need for substantial energy efficiency rehabilitation.

33. Santa Ynez Community Plan

Purpose: The Santa Ynez Community Plan was a multi-year planning effort to develop a policy framework supportive of the community's key goals of focusing future development within the townships and maintaining the rural character of the Valley.

Action: Planning Commission voted 3-2 on July 15, 2009 to recommend adoption of the Community Plan with certain amendments and direction to staff to further analyze options on certain identified properties. Board of Supervisors voted 3-1-1 on October 6, 2009 to adopt the Plan.

Scenario:

Resource Preservation: The Community Plan allows for future development in the townships with incremental development outside the townships, with protections for preservation of agriculture and agricultural viability.

34. Venoco Line 96 Modification

Purpose: Reroute existing crude oil pipeline, known as Line 96, to transport sales-quality crude oil from the Ellwood Onshore Facility in the City of Goleta to the Plains All American Pipeline for delivery to California refineries. This pipeline would render the current mode of transporting this crude oil via marine barge obsolete, including the Ellwood Mariner Terminal.

Scenario:

Resource Preservation: County's policies have long identified overland pipeline as a considerably superior environmental mode of transporting crude oil produced offshore the County to refineries.

35. 2009-2014 Housing Element Update

Purpose: Establish a Housing Element for the new statutory planning period that implements a smarter regional planning framework (consistent with State law – AB 32, SB 97, SB 375) and relies on the County's well established community planning process to address housing needs in unincorporated areas, while seeking to minimize the built environment's impact on climate change. In this context, the unincorporated areas will continue to determine appropriate housing solutions through ongoing community



planning efforts and through the leveraged use of public financial resources to improve existing housing, while also preserving open space and agricultural land.

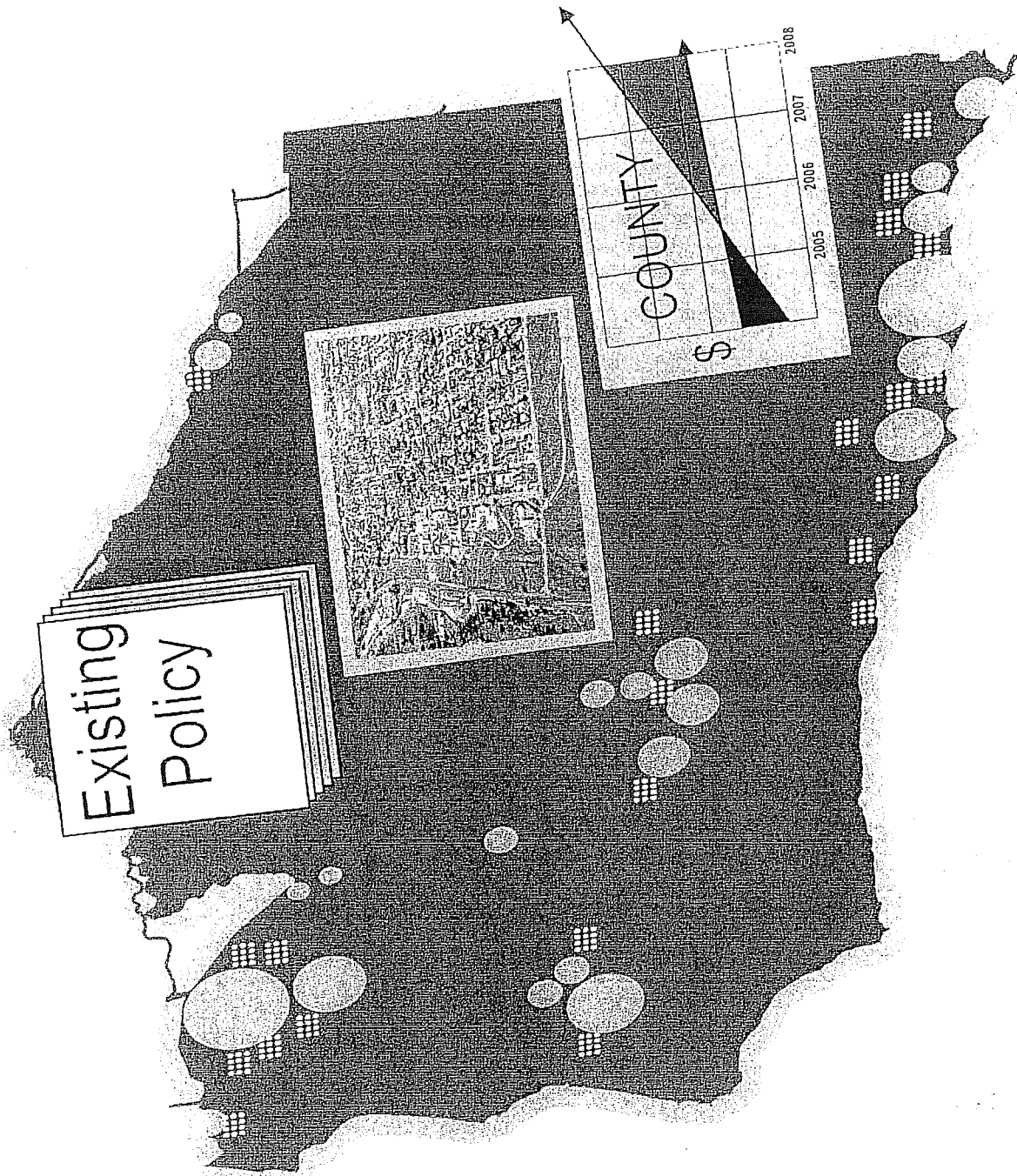
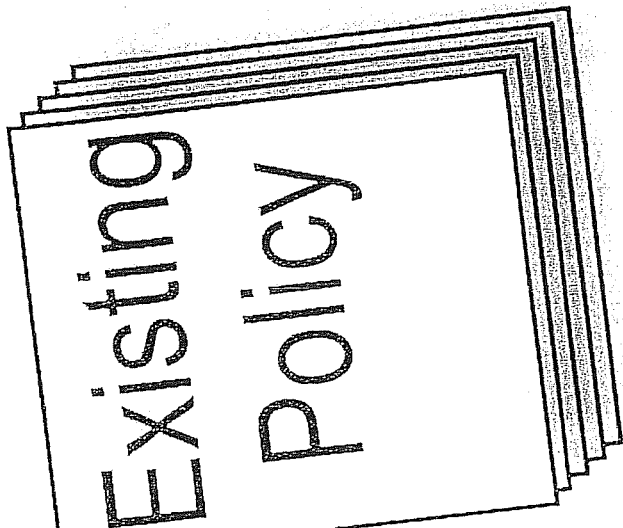
Action: The Draft Housing Element was submitted to the State Housing and Community Development Department (State HCD) for review on August 31, 2009. Pending comments from State HCD, the Planning Commission is expected to consider the Housing Element in January 2010 and the Board in March 2010.

Scenario:

Capital investment: Supports the accommodation of increased population and job growth in appropriate urban areas, adjacent to existing employment centers; continues to foster regional partnerships directing financial resources to urban areas, including incorporated cities, to address affordable housing needs.

Resource Preservation: Enables community plans to determine appropriate housing solutions; recognizes that the housing stock throughout the region contributes significant greenhouse gas emissions, and aims to reduce these through coordinated climate change policy actions.

Incremental Approach



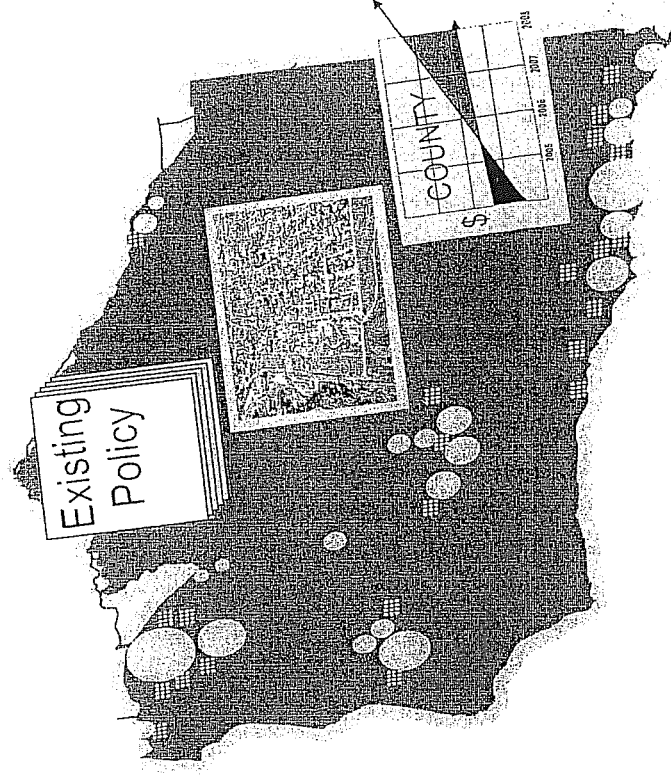
Incremental

Current level of services/programs provided
Incremental increase/decrease to budgets given
conservative increases in revenues
Land use values preserve slow growth patterns,
reliance on spot zoning

Moderate transition to
ranchettes in North County

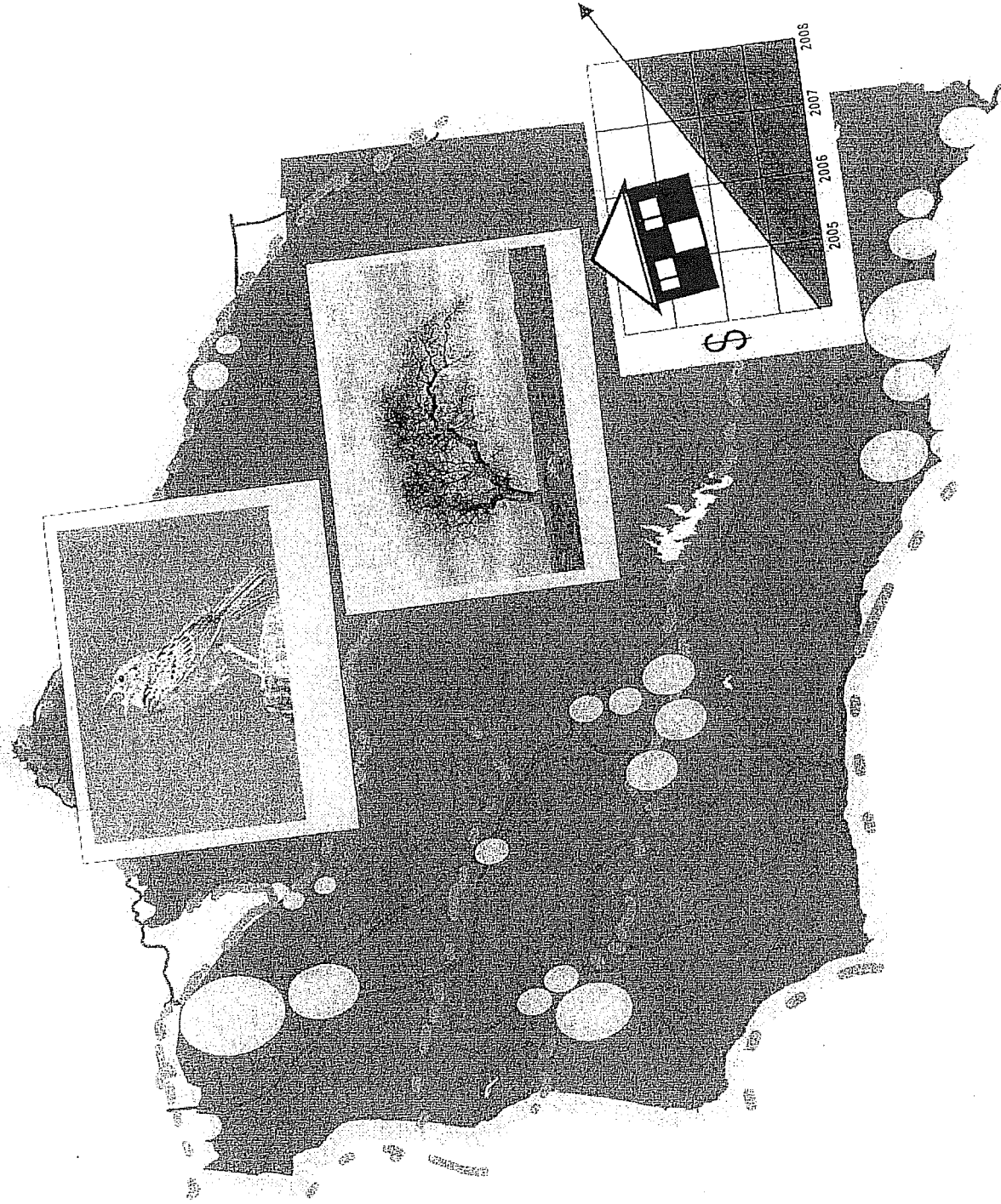
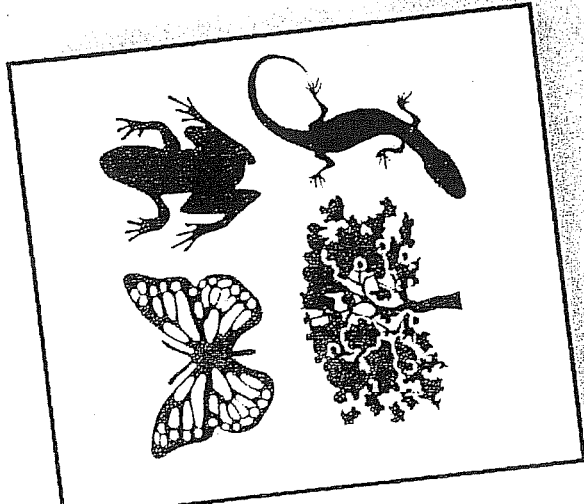
Infill South County

Moderate expansion into
North County agricultural areas





Resource Preservation



Strategic Scan

Resource Preservation - Eco / Zone

Promote/Preserve unique environment

Preserve/Restore habitats

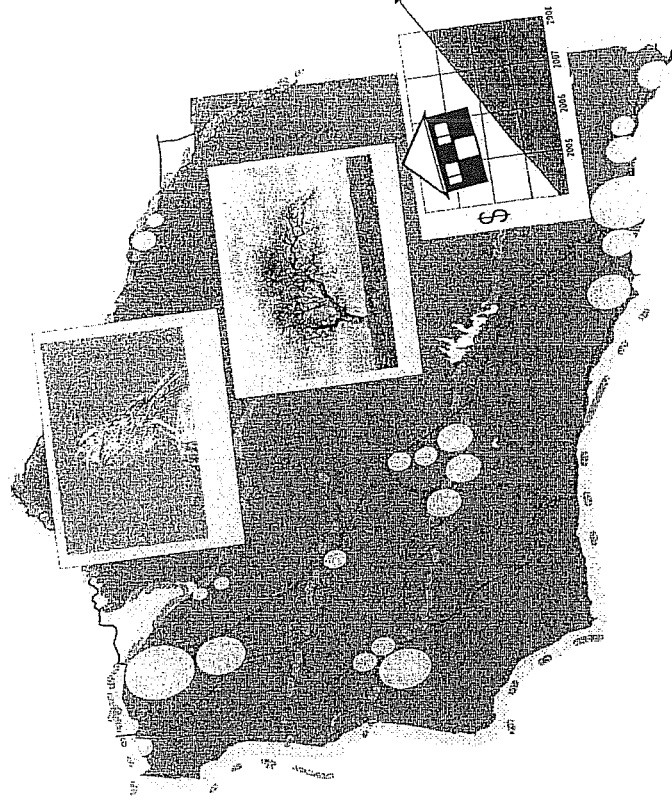
Restrictions on increase in residential, commercial, agricultural expansions

Strict growth boundaries

Attempt to maintain

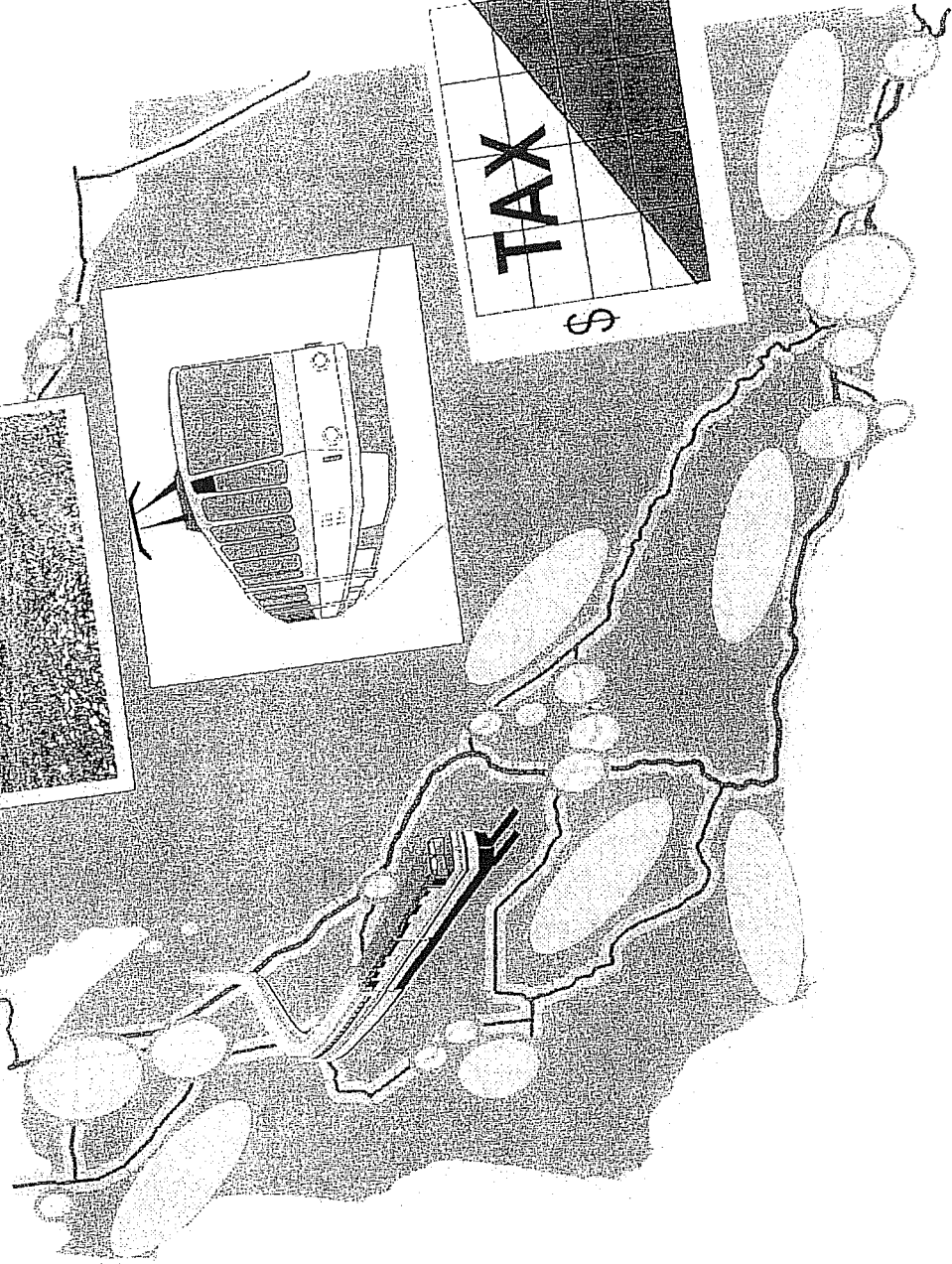
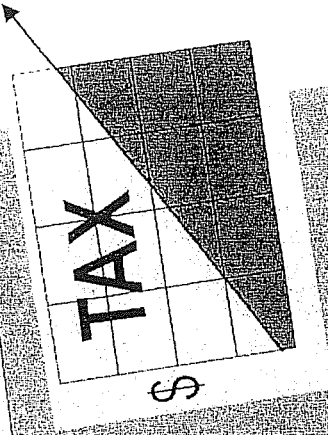
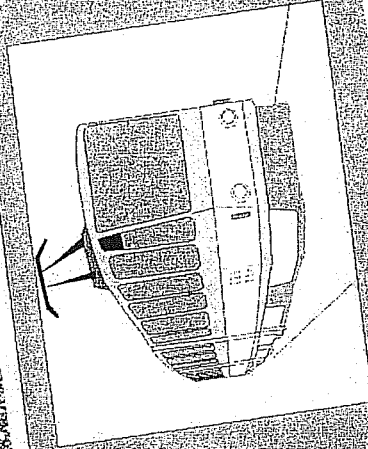
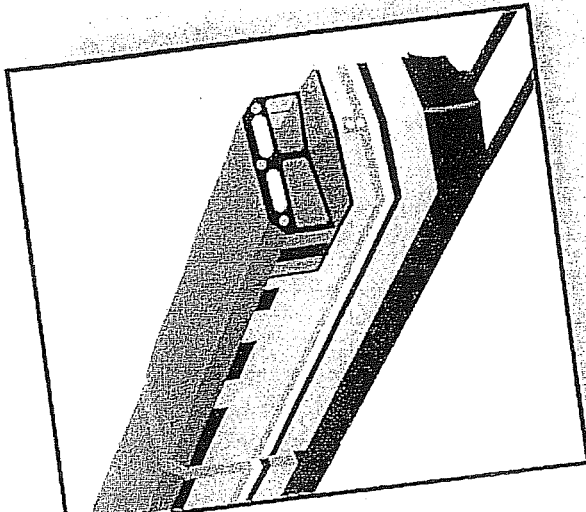
socio-economic characteristics

- Affordable housing
 - Moderate job growth
 - Economy/markets respond to changing demographics
- hourglass economy



A map of Japan is shown with a network of lines representing roads or rivers. Along these lines, there are several circles, some of which are connected by lines, suggesting specific locations or points of interest. Three rectangular inset photographs are placed on the map. The top-left inset shows a traditional Japanese wooden building with a thatched roof. The top-right inset shows a modern, multi-story building with a grid-like facade. The bottom-left inset shows a traditional Japanese house with a thatched roof and a garden.

Capital Investment



C

Table I
Comparison of Scenarios Responsiveness to Critical Issues
Does the Scenario Address the Critical Issue (Yes or No)

Critical Issues	Status Quo/ Incremental	Resource Preservation	Capital Investment	Village Center/ Rural Retreat
Will it support the financial stability of the County?	No	No	No	Yes
Will it support sustainable agriculture?	No	Yes	No	Yes
Will it provide for a highly efficient transportation system?	No	No	Yes	No
Will it provide housing for all segments of the population?	No	No	No	Yes
Will it provide an educated, trained workforce?	No	No	Yes	Yes
Will it support our values of environmental/open space preservation?	No	Yes	No	Yes
Will it maximize the health & human service needs of the population?	No	No	Yes	Yes
Will it accommodate projected demographic changes?	No	No	No	Yes



Economic Enhancement / Revenue Diversification

SUMMARY OF THE ISSUE

Economic enhancement offers local government, the private sector, the non profit sectors and the local community the opportunity to work together to improve the local economy. It aims to enhance competitiveness and thus encourage sustainable growth that is inclusive and achieves the priorities for a given area. The purpose of economic enhancement programs is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation.

PUBLIC BENEFIT / IMPACT

Facilitating local job growth and diversification of local revenues, based on community priorities, creates an environmentally sustainable economy that improves the community's ability to generate and retain local revenues, address priority needs and reduce reliance on outside state and federal funding sources.

COST TO THE GOVERNMENT

In the long term overall costs to government are reduced as the private and non profit sectors expand and diversify.

REQUESTED ACTION AND STRATEGY

That the County of Santa Barbara aggressively seek and engage its state and federal delegation in securing legislation to provide for enhanced funding and streamlined processes to encourage the diversification, development, incubation and growth of business determined to be of priority to California Counties in general and Santa Barbara County specifically. Funding should include but not be limited to expanding revolving loan funds, small business loans CRA loan pool, and equity capital and tax relief for start up businesses to facilitate economic enhancement opportunities and diversify county revenue base.

Priority focus areas for Santa Barbra County include but are not limited to:

- Film and tourism
- Agriculture
- Wine Industry
- Green technology
- Education
- Aerospace
- Entrepreneurial development
- Facilitating hard and soft infrastructure development to support economic enhancements
- Technology infrastructure and telecommunications improvements.

CONTACT

Terri Nisich, Assistant CEO, 805.568.3400

COUNTY EXECUTIVE OFFICE

105 East Anapamu Street, Suite 406
Santa Barbara, California 93101
805/568-3400 • Fax 805/568-3414

Terri Maus Nisich, Assistant County Executive Officer

FUNDING ALTERNATIVES				
Parcel Tax				
Parcels	\$ per Parcel	Total Generated	Vote Required	Notes
126,090	\$ 50	\$ 6,304,500	Two Thirds of all voters in community or affected area.	There are 126,090 parcels countywide. The parcel tax can be either assessed as a flat fee or based on a parcel type.
126,090	\$ 150	\$ 18,913,500		
126,090	\$ 250	\$ 31,522,500		
Sales Tax				
Increase		Total Generated	Vote Required	Notes
1/4 cent		\$ 15,000,000	Two Thirds of all voters in community or affected area.	State 6.50%
1/2 cent		\$ 30,000,000		Local 0.75%
1 cent		\$ 60,000,000		Measure D 0.50%
				Remaining 1.00%
*by State Statute sales tax can only be increased in 1/4 cent increments				Total Allowed by Statute 8.75%
Transient Occupancy Tax (Countywide, includes cities)				
Increase		Total Generated	Vote Required	Notes
1%		\$ 3,100,000	Two Thirds of all voters in community or affected area.	Approximately \$31 million are generated per year in TOT countywide. The County's portion is approximately \$6 million, derived from the \$3.8 million generated within the unincorporated area of the County and \$2.2 million generated from the County's share of the revenues generated within the Goleta incorporated area, per the revenue sharing agreement to expire in 2012. A passage of countywide TOT tax would require an agreement with each of the cities.
2%		\$ 6,200,000		
Public Safety Benefit Assessment District (countywide)				
Parcels	Avg \$ per Parcel	Total Generated	Vote Required	Notes
126,090	\$ 50	\$ 6,304,500	Majority, weighted in proportion to assessment liability	Have to show nexus between benefit to the property paying the assessment and the governmental function for which the assesment funds are used. Based on Prop 218 and prior cases, since the benefit of a jail would be enjoyed by general population, it would not be appropriate for a benefit assessment district.
126,090	\$ 150	\$ 18,913,500		
126,090	\$ 250	\$ 31,522,500		
Utility User's Tax				
Santa Barbara County Utility User's Tax Already in Existence:			Notes	
Santa Barbara City	Telephone, Wireless, Electricity, Gas,	Vote Required	This type of tax presents significant difficulty. Santa Barbara and Guadalupe cities already charge utility user's taxes. Since the two cities are unlikely to pass additional utility user tax, it would be inequitable to charge utility user tax in all other areas even though both Santa Barbara and Guadalupe cities will benefit from the new county jail. In order to generate sufficient funds, all cities and the county would have to reach an agreement to proceed collectively.	
Guadalupe City	Telephone, Electricity, Gas	Two Thirds of all voters in community or affected area.		
Oil and Gas Royalties				
Assessment of additional Oil and Gas Royalties requires State Legislature. This type of funding is unlikely to be feasible due to the timeframe. Since the year of 2002 the County has sponsored various measures to reinstate the statute of 1997, which provided that under certain prescribed conditions, 20% of State revenues derived from new oil/gas leases would be allocated to counties or cities. The measures have not been successful to date.				

Potential Strategic Alternatives For Presentation to the Board of Supervisors

Revenue

Possible On-going Revenue Enhancements	Revenue	FY Available	Dept.	Notes
Adjust External Fees include Retirement Board Increases Impacts: Land Use Permit CIP Increase to 7.1%	\$ 274,187	08/09	P&D	Board did not approve; to return
New External Fee For Service: Beach Parking (\$4 All Day After 90 Min. Free)	\$ 2,425,900	09/10	Parks	Rejected
New External Fee For Service: Regional Parks Parking (\$4 All Day After 90 Min. Free)	\$ 1,032,800	09/10	Parks	Not Proposed
New Oil Tax (<i> Voter Authorization Required </i>) \$1.20 severance tax per barrel produced in the County; 2006 Onshore Production SBC: 1,998,995 bbls.	\$ 1,199,373	10/11	P&D	Not Proposed
Fire Department Hazardous Materials Unit Cost Recovery Inspection Fee Increase	\$ 650,000	08/09	Fire	Adopted
New Internal Fee for Service: Employee Parking at \$50/mo. for 503 Permits	\$ 301,800	08/09		Board directed not to pursue on 2/25/08
Planning Permit Appeals Cost Recovery Fee Increase from \$300 currently to \$4,900	\$ 231,993	08/09	P&D	Request BOS direction to pursue
New Water Distribution Franchise Fee (\$55,000 - \$110,000)	\$ 55,000	09/10		Request BOS direction to pursue
Enhanced Public Safety: Install Flash Ticket Cameras at County Intersections	\$ 78,000	09/10		Under consideration by State
Transient Occupancy Tax Increase from 10 to 12% (Voter Authorization Required)	\$ 1,200,000	10/11		Over washed by Ballot measure to retain 10%
New Local Telephone Tax 10% Surcharge (Voter Authorization Required)	\$ 2,500,000	10/11		Not Proposed
911 Call Charge	TBD	09/10		Not Proposed
New Oil and Gas Transmission Franchise Fee	TBD			Not Proposed
New City Development Impact Fees for Countywide Services	TBD			Vote Required
Total \$ 9,949,053				

Board Inquiry Form

Board Member	
Carbajal	✓
Wolf	✓
Farr	✓
Gray	
Centeno	

Department: County Executive Office

Date: March 2, 2010

CCPP Pages(s): Parks, pages 78-83

Planning & Development, pages 84-92

Public Works, pages 93-99

Housing & Community Development, pages 76-77

General Services, pages 110-113

Information Technology, pages 118-119

Request/Question:

Please provide ideas for structural changes which would have potential savings.

Report Back by:

Michael F. Brown, CEO

Response:

The items which follow are conceptual and would require approval by the Board for implementation. Obviously, they have not been studied as to feasibility in any detail. A preliminary question would be whether or not any structural changes should be made before the arrival of the next CEO.

1. Should the Parks department be merged into the Public Works department? Both departments are primarily involved in planning, maintaining and constructing a variety of physical facilities. The required disciplines of engineering, operation of equipment, skilled labor, and financial control of the physical projects and budgets are common to both departments. The Public Works department is the larger of the departments and would provide economies of scale in management, planning, engineering, fiscal control and departmental information technology. The Public Works department has strong management systems.

A key disadvantage/source of opposition would be that nationally, statewide, and in Santa Barbara County, Parks enjoy a long tradition of support within the "Parks Movement" exemplified by founders such as Theodore Roosevelt, John Muir, Robert Moses, and others. The design and programming of picnic areas, campgrounds, passive areas, interpretive features, etc., are pretty much part of the work conducted by those who are expert in parks management.

It is estimated preliminarily that the full year savings to be derived from this merger could be in the range of \$1,075,000. To effectuate the actual savings would require the displacement of managerial and executive personnel.

2. Although this office has received no direct inquiry as of this writing, there has been speculation about whether or not the Information Technology department should be reestablished as a division within the General Services department. This speculation may be the result of a belief that the General Fund cost of the department through a combination of rate increases and direct annual appropriation went up after it became

an independent department and/or that demoting it to a division in General Services would result in the termination of a department head and commensurate savings. (\$266,000 including all benefits)

It should be noted that the County spends \$35 million per year on IT of which \$23,583,289, 68% is in departmental IT budgets and \$11,630,075, 32% is within the Department. Of the latter, in the IT department budget over \$4 million is for the County's telephone and radio systems, not IT functions at all.

The impetus for creating a County Information Officer (CIO) came from a study included in the Santa Barbara County Blue Ribbon Budget Task Force Report of 2006, which in part stated:

"The County Executive Office needs to have close and direct oversight of major information technology projects. The County has experienced Information Technology Project implementations that have resulted in substantial cost overruns and which have not been completed on schedule or ever. Departments have had the autonomy to implement large information technology projects. Oversight of this process by the County Executive needs to be enhanced."

The report continues: "The County needs to have a central position with the responsibility and authority for all enterprise-wide information technology systems in the County. This does not mean that the County should return to a similar centralized information technology structure such as the County had previously. The existing decentralized structured enables the departments to be innovative in their service delivery and software and application development. However, the County needs an authority to coordinate and control the systems utilized by all County departments."

Essentially the County should maintain a hybrid approach. Departmental applications, especially in the large departments, should reside in the departments. The other non-application IT development functions should be centrally managed but regionally housed. Examples are desktop support, help desk service, and administration of the computer rooms and equipment within them. The County currently maintains 21 separate computer rooms/closets. Issues include security, fire suppression, maintenance, and consolidation.

Another example is that prior to the establishment of IT the County maintained and operated four separate email systems, one in Sheriff, one in Fire, one in Social Services and one for everybody else. In order to communicate between them special protocols were required and often human intervention particularly in the calendaring area was required. Today there are two systems – the Sheriff's and the one used by everyone else. Discussions with the Sheriff will commence to explore feasibility.

Under separate cover and as part of the budget presentation scheduled for March 2, 2010, information relevant to this discussion is included under the section on the Information Technology department. (Please see the slides for that presentation.)

However the function is assigned in the organization, it is important that its leader be professionally qualified to advise the Board of Supervisors, the CEO, and department heads on the management of this \$35 million per year ongoing investment. Whether or

not a Division Chief level position in General Services or some other department would provide for such breadth and depth is a question. Whether or not an IT professional of appropriate professional stature could be retained or attracted at the lower level is a question.

3. Should the Alcohol, Drug and Mental Health Services (ADMHS) department be combined with the Public Health department? The ADMHS department provides mental health services to approximately 5,500 county residents during a given year. It also operates critical mandated functions such as the Public Health Facility for the sickest patients. Both the Public Health department and the Alcohol, Drug and Mental Health department share a number of similar functions and professional expertise's. These include the operation of clinics, the provision of medications, counseling, public information, etc. Significantly, both departments are heavily involved in patient registration, insurance and MediCal billing, Medicare billing, patient scheduling, matching provider skills and diagnoses as required for billing, maintaining clean professional clinics, waiting rooms and similar administrative and financial functions. In the case of the administrative and financial functions, the Public Health department has been extremely successful over many decades. In the last decade it has become extremely professional and efficient with respect to MediCal and Medicare billing; developing patient and administrative flows, ICD-9 and CPT-4 coding expertise, and the management of IT systems designed to expedite these functions.¹ It is possible that the mental health functions would benefit from this expertise and related management systems. There may well be some savings from economies of scale from the management of the IT systems, one financial and budget office, one personnel function, one quality control system and others. Some counties do operate consolidated systems. Moreover, the Alcohol and Drug division of the Mental Health department was a division in the Public Health department until 1997.

Weighing against this decision are the complexities of the transition physically, operationally and significantly differing organizational cultures within the two departments. Such major transitions are always risky in execution. Moreover, would the transition weaken the current success of the Public Health Department? Finally, the new Public Health Department Director was not hired with the knowledge that he would inherit this large complex function.

4. Another issue which may have been discussed in parts of the organization is to break up the General Services department and assign its functions to other departments. General Services provides very diverse support functions, some of which have similar work environments and skills existing in other departments. These could be as follows:

- a) In some organizations building maintenance is a division of Public Works departments.
- b) In some organizations fleet maintenance is division of the Public Works department, or the finance department.

¹ ICD-9 (International Code of Diagnoses, Version 9) and CPT-4 (Code of Procedural Terminology, Version 4) Mental Health billing has a slightly different version but the logic is the same.

- c) Risk Management could conceivably be a function of the Auditor-Controller, the County Counsel, Human Resources, or the CEO.
- d) Purchasing and reprographics are often the function of a finance department. In small counties purchasing is often a function of the CEO's office.

The potential savings would be the elimination of a department head, possibly an assistant department head, and possibly some fiscal support people. (\$404,490) Since the department is largely funded by charge-backs to the rest of the organization the actual General Fund savings may only be about 45% of this amount although it might save the other funds too. It should be noted that the fiscal support functions of General Services are heavily involved in billing the direct costs for the various services to each of the departments in proportion to the amount of vehicles they have, the amount square feet that they operate in facilities, the amount of liability and worker's comp they incur, and other complex algorithms. One advantage of this billing is that it enables the County to tap intergovernmental revenues for these purposes from the departments which are largely funded by federal, state, enterprise, and fee revenues. Thus, for example while the department's total expenditures are \$56 million in 2009-10, the direct General Fund contribution is \$6.7 million.

Presumably these internal billing functions would have to remain in some fashion and would limit savings in that area. In many organizations these internal billing functions are a function of the finance department. Some of the countervailing issues include the fact that the County (like many California counties) does not have a finance department but utilizes the statutory Auditor-Controller model. Thus, some finance department functions as well as the auditing function are combined with a single elected official. A consideration would be that by assigning heretofore departmental operational financial functions to the Auditor-Controller, would his independent auditing role be compromised? Similarly, and like a merger of Public Health and ADMHS, operational transition issues, disruption of services, and major cultural differences within the departments would all come in to play. Adding functions to the department of Public Works may also have a downside in that the department is very high functioning. Its key functions of the streets and roads, engineering, county surveyor, solid waste, and water agency/flood control are currently functioning very well. Is it worth the risk to disrupt these now?

5. One possible idea which could emerge would be to redistribute the functions of the Housing and Community Development department into the Comprehensive Planning Division of the Planning and Development department. The HCD department could be established as a new division of the Planning and Development department. The HCD department is a small entity at present, with a \$6.9 million overall budget of which \$909,000 is staffing. Most of the rest of it is CDBG, Home, and other housing grants which are passed through to various housing and development entities. The General Fund contribution is \$647,000 in fiscal year 2009-10. Of this \$647,000, \$250,000 is given as grants to Chambers of Commerce and other economic development agencies. Presumably, the potential savings would come from eliminating the Director position which is currently funded at \$216,886. The other staffers in the department with the exception of the Cost Analyst and a secretary are primarily housing program specialists involved in various aspects of the federally funded housing programs.

Given that the current Interim Department Director is by and large the author, advocate and Program Manager for the imminent multimillion dollar high risk AB 811 Energy District Financing Program, the question arises whether this would be a good time to relocate the operation.

Another question arises that given the current economic trends and the need for the County to conduct actions which increase economic development and stimulate employment and ultimately provide revenue to maintain critical County programs as well as allow the County citizens to stay in their jobs and maintain their homes and families, is such a move counter productive? In other words, as public policy militates towards stimulating the economy should the role of the Housing and Community Development department be actually strengthened and broadened? Relatedly, given that the Planning and Development department is predominantly a regulatory agency with a very strong track record of slowing and restricting development, does it make sense to subordinate the vitally needed community development activities and the emerging Energy Financing District (which could engender activities requiring approvals from the Planning Department and Planning Commission) to the planning function?

Currently the Isla Vista Redevelopment Project is a function led by the Interim Housing and Community Development Director. For many years this project languished as a program cost center within the Comprehensive Planning Division of the Planning and Development Department. Currently it is very successful and achieving many of the goals originally envisioned for Isla Vista Redevelopment. The revitalized businesses, new private sector development, completion of major capital improvements, acquisition and development of parking lots, and the generation of new property taxes and sales taxes is taking place. The question arises is whether or not this function should be placed back in the Planning and Development department with obvious potential diminishment of these activities.

Some further considerations are outlined below:

- Given the stark fiscal, environmental, and political reality of today's public policy environment, a need exists to advance Santa Barbara County by:
 - ✓ promoting economic and fiscal sustainability
 - ✓ encouraging incentive-based community reinvestment and redevelopment
 - ✓ managing workforce housing production such that the community's values are enhanced and maintained.
- A broader Community Development Department addresses this need, by centralizing several functions under one strategic umbrella.
- Within this framework, established strategic economic programming (i.e the Municipal Energy Finance Program, redevelopment, and Climate Policy Implementation) naturally coalesce with existing incentive-based grant administration that deliver positive results for regional businesses, community-based organizations, and households. (HOME, CDBG, ESG, HPRP, etc)

- Core activities of a fully operational Community Development Department would be to:
 - ✓ Encourage a strong economic base by supporting job creation, the incubation of clean industries and technology, by attracting innovative firms and talent through private sector incentives, supporting employers, and by creating opportunities for local residents to attain jobs and training in the growing regional green economy
 - ✓ Incentivize, invest, and demonstrate actions to reduce GHG emissions, including both public and private sector energy efficiency and “green” infrastructure improvements
 - ✓ Identify, foster, and lead collective dialogue among the private, public, and non-profit sectors to stimulate regional relationship-building
 - ✓ Promote and market the County’s forward-thinking identity while continuing to build upon the unique community characteristics that made the County what it is today (i.e., work with tourism groups, chambers of commerce, etc.)
 - ✓ Influence and prepare the County to capitalize on future state and federal legislation promoting the broad concept of sustainability, while incubating an incentive-based public-policy environment (AB 32, SB375, AB811, ARRA, ARRA II, etc.)
 - ✓ Management and coordination of special projects of regional significance (Concept Development: Multi-sector “green-business” innovation centers, Workforce reinvestment strategies, Live-work villages, etc.)
 - ✓ Promote objective policy formulation and decision-making through the use of cutting-edge economic modeling and quantitative analysis
 - ✓ Facilitate the sharing of pertinent and timely information among County departments, the public, and regional stakeholders through horizontal project management
- Without question, the success of these strategies requires an ability to advocate with the support of the Board and community leaders.
- As the regulator of incremental growth and development in the unincorporated area, P&D is inherently conflicted regarding community development:
 - ✓ How could the same department that considers itself the “gatekeeper” and “protector” of the County’s zoning ordinance and CEQA Guidelines rationally provide non-linear incentives, financing, grant support, or advocacy for the development of some projects or policy initiatives, and not for others?
 - ✓ Should P&D, an agency whose sole responsibility is to narrowly regulate land use simultaneously promote and oversee projects or grants impacting other policy areas including community health, energy, workforce development, public finance, redevelopment, transportation and related recreation infrastructure?

- ✓ Should an agency whose revenue is driven by fees for regulation and inspection be charged with making fiscal decisions related to business incubation and niche-sector development?
- ✓ Are planners who are concerned primarily with processing new projects or inspecting projects to ensure adherence with existing codes really the County's best representatives to liaison with and understand the multifaceted needs expressed by new and existing businesses, trade industries, or public utility groups?
- ✓ Are planners well equipped with knowledge regarding economics, public finance, social networking, business cluster development, and community resources that are required to foster the region's economic competitive advantage? These issues speak to a larger deficiency related to successfully operating in a broad-based political and legislative climate.
- ✓ Is it right for P&D to give the perception as a "business or industry friendly" agency?
- ✓ Is it possible for P&D to actualize a growth-oriented, business-friendly role, given its history?
- ✓ Can P&D deliver real economic development outcomes? In fact, the vast majority of community plans overseen by P&D have actually limited economic growth and revitalization- creating a significant restraint on future-potential revenue opportunities.

As noted above today Santa Barbara County, like California and the nation, stands at a strategic crossroads. Given the stark fiscal, environmental, and political reality of today's public policy environment, the opportunity to rethink core service delivery in the area of community and economic development is ripe for discussion. To this end, this brief concept outline is intended to foster such a dialog, with the hope that new ideas can transmit a renewed vision of public service to the residents of Santa Barbara County (County).

Drivers

Drivers that characterize the County's current economic development landscape include:

- A precipitous decline in the region's economic health: unemployment is up, incomes are stagnant, businesses are struggling, tourism has dropped, and property values have plummeted. As a result, the County's revenues are at all time lows.
- The Board's desire to enhance the County's revenue base by promoting economic and fiscal sustainability, encouraging community reinvestment, and managing affordable workforce housing production such that the community's values are enhanced and maintained.

- The community's desire to preserve regional quality-of-life and maintain aesthetic norms (open space, agriculture, scenic heritage, limited coastal and other environmental resources).
- An expressed desire by key industry leaders to focus on elective, incentive-based programming that creates market efficiencies and streamlined government oversight.
- Federal and state policy that links economic development and job creation to clean energy and a innovative clean economy

Existing Agencies and Core Functions Relating to Economic Development

Currently, numerous County agencies/departments oversee activities that react to these drivers and, through loose affiliation, offer the co-benefit of supporting the County's revenue and job base. These agencies and their functions related to economic development include:

Housing and Community Development Department (HCD)

- Public policy and strategic planning expertise; proven track record
- Relationships with extended network of community groups, including non-profit service providers, environmental groups, as well as the business and construction trades industry
- IMPLAN knowledge and ability to add multi-dimensional tool to decision-making process
- Affordable Housing Program / Finance expertise / Knowledge of Federal and State grant processes and opportunities (CDBG, Home, ESG, HPRP, etc)
- Knowledge and understanding of demographic-based deal-making and development , including specialized financing mechanisms and related requirements
- Climate Policy Implementation
 - ✓ Board priority
 - ✓ Cost-benefit analysis of clean energy/economy
 - ✓ Vertical alignment of regulatory imperatives and Federal/state policy paths
 - ✓ Municipal energy efficiency finance program (AB811)
- ARRA
 - ✓ Financial resources
 - ✓ Horizontal management capacity
 - ✓ Catalyst for projects of regional significance

Redevelopment Agency (RDA)

- Redevelopment authority: ability to assemble land, subsidize development, invest in infrastructure improvements, foster public/private partnerships
 - ✓ Finance Plan, debt capacity, and tax increment
- IVMP: urban revitalization, asset management, and housing capacity
- Proximity to job center / UCSB / transit
- Potential future expansion to other “project areas”
- Town-Gown interface
- Coastal zone revitalization expertise
- New track record of incubating incentive-based, green demonstration projects (Car Share, Solar Parking Lot, Pardall Streetscape, Embarcadero Storm Water System Redesign, Bikeway and Sidewalk Planning, Demonstration Solar Public Lighting)

Strategic Planning Unit within Long Range Planning

- Regional planning (SB 375, Blueprint) and TPAC expertise
- Census as a predictor and precursor to data-driven strategic planning

Workforce Investment Board (WIB)

- Training for workers in emerging fields
- Serves businesses via networking and information sharing (Green Coast)
- Financial resources for studies and analytics
- Regional and statewide initiatives
- Connected to major stakeholders: pulse

General Services

- Real Property Acquisitions and Capital Strategies
- Operational Planning for Energy Efficiency (Green Team)

Barriers to a Complete Economic Development Strategy

While numerous existing agencies and activities support the County's economic advancement, notable barriers prevent the County from currently implementing and achieving a comprehensive economic development strategy. These barriers include:

- Minimal accountability of individual agencies towards common economic development outcomes (jobs, revenue, etc)

- Core economic development-related functions are dispersed throughout the organization
- Lack of a coordinated approach to bridge weak links between core functions; thereby resulting in diminished capacity to leverage existing assets; minimize the duplication of efforts, increase information sharing, and maximize managerial and executive effectiveness.
- Varying expertise, management capacity, relationship-building skills, brokering skills, and situational awareness among individual agencies
- Varying credibility and reputation in the community among individual agencies
- Geographically constrained project or service areas (i.e., RDA only leverages skills in a specific geographic area)
- Minimal programming for outreach or networking with the business, education, and other communities
- No clear definition of the city role vs. the unincorporated area

Strategic Organizational Opportunities and New Service Capacity Capability

An expanded Community Development Department could address these barriers by centralizing several functions under one strategic planning umbrella administering: Grants Management, Redevelopment and Sustainable Economic Advancement. Beyond the consolidation of service areas to improve efficiency/ effectiveness and transform the capacity of currently unfulfilled departments, there is tremendous untapped potential to incubate a climate for economic development given the strategic alignment of policy drivers. A revitalized, re-imagined County Community Development Department provides opportunity to rethink strategies for creating forward-looking and healthy communities that balance the need to grow the public revenue base with respecting long-held norms, values, regional roles, and community identities.

Engendering the bridge between long-range sustainability and short-term revenue enhancement, the Community Development Department could seize upon emerging paradigms associated with the green economy to provide a path toward building healthy communities.

In addition to carrying out existing economic development core functions and responsibilities (as discussed above), accomplishing this outcome requires the provision of new value-added services that are only made possible through the creation of a new horizontally mobile and vertically tuned department. In part, these new services would include:

- The development of a focused economic strategy establishing common objectives that
 - ✓ Uphold the Board's Principle of Sustainable Community Development
 - ✓ Ensure a coordinated approach to infrastructure investments

- ✓ Focus on neighborhood revitalization, renewal, and enhancement
- ✓ Capitalize on strategic growth opportunities
- ✓ Foster decent housing and strong public – nonprofit partnerships
- ✓ Support the creation/maintenance of high-value jobs in the unincorporated area
- ✓ Leverage resources and assets without compromising agriculture heritage, scenic open, and finite natural resources
- ✓ Streamline the provision of co-related social services to foster “healthy community”
- The ability to convene, manage, and understand actors across environments – government, politics, business, institutional, NGO, community – to broker outcomes that represent compromise, are acceptable to the majority of the community, and accomplish economic development objectives
- An increased focus on business support and incubation:
 - ✓ Sharing information, networking, and building relationships to support existing businesses
 - ✓ Promotion of the County to illuminate assets, address information asymmetry or misconceptions, and attract new high-quality businesses
 - ✓ Fostering opportunities to leverage assets of local educational institutions (town-gown, spin-offs, venture capital, training)
 - ✓ Targeting infrastructure investments to where the need is highest and the potential for return is greatest.
 - ✓ Primary focus on incentive-based solutions to coordinate countywide “producer-incentivizer-regulator” framework.
- An improved organizational capacity for economic analysis, ensuring that incremental decision-making is cost-effective and considers direct, indirect, and induced economic impacts.
- An illuminated understanding of regional roles, path-dependencies, resource availability, and untapped opportunities through asset mapping.

In short, a coordinated approach to advance Santa Barbara County by promoting economic and fiscal sustainability is made more feasible through a re-imagined and reformed department, with the authority and ability to garner community trust, coordinate existing resources, and add valuable new services to the portfolio of existing, but widely dispersed economic development functions.

Board Inquiry Form

Board Member	
Carbajal	
Wolf	
Farr	
Gray	X
Centeno	

Department:

Date: **March 2, 2010**

CCPP Pages(s): 12-13

Request/Question:

Would it be less expensive to have a consortium of private attorneys provide public defender services?

Report Back by: Jason Stilwell, Assistant County Executive Officer/Budget Director

Response:

The County provides legal defense to the indigent through both a Public Defender's Office and a team of law firms. This is one of seven models used in California (see attached). The law firms provide indigent defense in the event of counsel conflict, for example when the Public Defender is assigned a case with multiple accused, or in the event the Public Defender declares unavailability.

A true cost comparison of the County cost and law firm costs has been difficult for a number of reasons. The attached documents provide details of these challenges and to summarize:

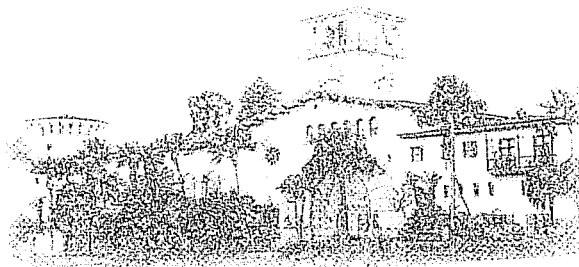
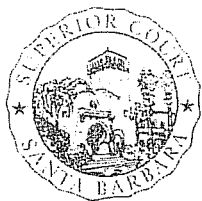
- First, the two groups define a "case" in different ways and thus comparing basic workload is a challenge;
- Second, past declarations of unavailability have resulted in impacts to courts throughout the County and to a variety of cases thereby making cost comparison more difficult and reducing potential economies of scale; it may reduce the cost of unavailability counsel if the defender declared unavailability on only a select group of cases in a select region thereby enabling a private firm to gain certain economies of scale while focusing on a certain type of case;
- Third, the defender's past declaration of unavailability did not facilitate a negotiation with the County's law firms. The declaration gave short lead time to the transition which increases the likelihood that the County was unable to negotiate a competitive price but instead was forced to accept the price the firms demanded given the short notice;
- Fourth, comparing true costs has been difficult. It is possible given the jump in employee costs the County is facing in FY 10-11 coupled with the increased competition of this economy (as indicated in such events as a low bid on the recent EOC construction project) that further utilizing conflict counsel to serve indigent clients may be economic.

One measure of the potential savings between providing the services as the County does today versus expanding the County's use of outside counsel for public defender services would be to conduct a Request for Information. An RFI process at the Board's direction could be completed in time to provide a more thorough answer to this question by the June budget hearings. Attached is brief survey of other County's strategy to addressing the unavailability issue; it indicates this is a dynamic issue and that a number of County's are augmenting their services with consortia of private attorneys to provide defense services to the indigent while avoiding the conflict issue.

California County Models for Indigent Defense

1. Local firms provide all levels of indigent defense
24 counties utilize this approach
Alpine, Amador, Calaveras, Del Norte, Glenn, Inyo, Kings, Lake, Madera, Mariposa, Modoc, Mono, *Placer*, Plumas, San Benito, *San Luis Obispo*, *Santa Cruz*, Sierra, Sutter, Tehama, Trinity, Yuma
2. Public Defender office and retain local firms for indigent defense
11 counties utilize this approach
Fresno, *Marin*, *Monterey*, Napa, Nevada, Riverside, San Joaquin, Shasta, *Sonoma*, Stanislaus, *Tulare*
3. Public Defender office and Court retains local firms for indigent defense
9 counties utilize this approach
El Dorado, Imperial, Kern, Lassen, Santa Barbara, Siskiyou, Tuolumne, Ventura, Yolo
4. Public Defender Office with a conflict defense division
6 counties utilize this approach
Humboldt, Mendocino, Merced, Orange, San Bernardino, *Solano*
5. Public Defender office and contract with County Bar Association
3 counties utilize this approach
Alameda, Sacramento, San Francisco
6. Create separate Public Defender and Conflict Defense departments
2 counties utilize this approach
Los Angeles, Santa Clara
7. Other variations: Contra Costa, San Diego, San Mateo utilize different variations of the above

Comparable counties italicized



SUPERIOR COURT OF CALIFORNIA, COUNTY OF SANTA BARBARA
1100 ANACAPA STREET, SANTA BARBARA, CA 93101

GARY M. BLAIR
SUPERIOR COURT EXECUTIVE
OFFICER
(805) 882-4550

LYNN M. DUNLAP
ASSISTANT EXECUTIVE OFFICER
SOUTH COUNTY
(805) 882-4735

DARREL E. PARKER
ASSISTANT EXECUTIVE OFFICER
NORTH COUNTY
(805) 614-6636

SOUTH COUNTY

ANACAPA BUILDING
1100 ANACAPA STREET
P.O. Box 21107
SANTA BARBARA, CA 93121-1107
PHONE (805) 882-4520
FAX (805) 882-4519

FIGUEROA BUILDING
118 E. FIGUEROA STREET
SANTA BARBARA, CA 93101
PHONE (805) 882-4735
FAX (805) 882-4647

JUVENILE DIVISION
SANTA BARBARA COUNTY
JUVENILE COURT
4500 HOLLEISTER AVENUE
SANTA BARBARA, CA 93110
PHONE (805) 882-4577
FAX (805) 882-4698

NORTH COUNTY

COOK BUILDING
312-C EAST COOK STREET
SANTA MARIA, CA 93456-5369
PHONE (805) 614-6414
FAX (805) 614-6616

MILLER BUILDING
312-A EAST COOK STREET
SANTA MARIA, CA 93454
PHONE (805) 614-6590
FAX (805) 614-6591

LOMPOC DIVISION
115 CHIEF OF POLICE PLAZA
LOMPOC, CA 93436-6967
PHONE (805) 737-5390
FAX (805) 737-5411

SOLVANG DIVISION
1745 MISSION DRIVE
SOLVANG, CA 93464
PHONE (805) 686-5040
FAX (805) 686-7491

JUVENILE DIVISION
4285-B CALIFORNIA BLVD.
SANTA MARIA, CA 93455
PHONE (805) 614-6579
FAX (805) 614-6581

GARY M. BLAIR

EXECUTIVE OFFICER - JURY COMMISSIONER - CLERK OF COURT

MEMORANDUM

TO: Michael F. Brown, County Executive Officer

FROM: Gary M. Blair, Superior Court Executive Officer

DATE: April 20, 2009

RE: Public Defender Unavailable Cases; Need for Appointed Counsel Coverage

Dear Mr. Brown:

You have requested me to provide an explanation of the need for the court to appoint counsel to represent indigent defendants in cases in which the Public Defender has declared his office as unavailable and why we needed to amend our county/court joint contracts to handle such coverage.

Indigent persons accused of crimes possess constitutional and statutory rights to have counsel appointed to represent them at public expense if they cannot afford to hire an attorney. The Superior Court is legally mandated to appoint counsel for them in such situations at county expense. [See Penal Code §987]. Indeed, the Court cannot proceed with a case if an indigent defendant has requested counsel at public expense and such counsel has not been appointed. Failure to appoint counsel in such instances would result in dismissal of the charges.

During the budget hearings in June 2008, the Public Defender's budget expansion request was not approved by the Board of Supervisors. Part of the budget involved the elimination of three attorney positions. In a letter to former Presiding Judge McLafferty copied to the County Executive Officer and Board members dated June 17, 2008, Public Defender Paraskou stated that he planned to declare his office unavailable to accept appointment for the workload of those three attorneys unless proposed cuts were restored: (1) 100% of all misdemeanor cases in one of the misdemeanor departments in Santa Maria; (2) 50% of all felonies filed in Lompoc; (3) 10% of all felonies filed in Santa Barbara.

Immediately after the Board of Supervisors cut his budget, the Public Defender instructed his staff to decline appointment by the Superior Court in certain cases. The Superior Court Executive Officer requested the Public Defender to define the cases in which he would decline appointment. On June 23, 2008, the Public Defender responded by listing his “maximum” projected numbers as follows:

Lompoc:	New Felony = 114
	Probation Violation = 88
Santa Maria	New Misdemeanor = 1,091
	Probation Violation = 593
Santa Barbara	New Felony = 90
	Probation Violation = 79

The Court made several requests to obtain a minimum or average number of cases that would be declined in order to issue a Request for Proposal from the two conflict defense contractors to pick up these “PD unavailable” cases. The Public Defender responded that he could not determine such numbers.

The Court’s options to appoint counsel for indigent defendants are: (1) to appoint the Public Defender; (2) appoint private counsel at an hourly rate on a case by case basis; or (3) appoint private counsel pursuant to joint contract with the County [See Penal Code §987.2]. Since the Public Defender declined, for budgetary reasons, to accept appointment in certain cases, the Court had to utilize one of the two remaining methods stated above. Option two, is the most expensive alternative method. There is no way to limit the number of billable hours spent by counsel on a case without potentially compromising the defense and subjecting the case to reversible error on appeal. Option number three is the more economical method because a consortium of private attorneys can bid on an “all cases for one fee basis” with some limitations.¹

The Superior Court and the County of Santa Barbara already had in place very economical contracts with two separate consortiums of attorneys to handle all conflict defense cases in the north and south regions of Santa Barbara County pursuant to the provisions of Penal Code §987.2. Conflict defense cases are those cases in which the Public Defender has a legal conflict of interest (as opposed to declaring unavailable). Legal conflicts routinely occur whenever there are two or more co-defendants in a given case. The Supreme Court has ruled that the Public Defender can only represent one defendant in a given case. Representation of other defendants in the same case by the Public Defender (as a

¹For example, death penalty cases need to be carefully handled under such a contract arrangement because of the potential for huge amounts of time to defend someone whose life is at stake. If a contractor had to handle an unlimited number of such cases, an argument can be made that the contractor would cut short his hours to save money at the expense of the defendant’s legal representation. Therefore, the conflict contracts limit the number of such cases to two per year or six within a three-year period.

single law firm) is legally prohibited as there would be a potential for lawyers working within the same firm to compromise the interests of their clients.

Thus, a consortium of private attorneys working in separate law offices or firms can legally and economically handle multiple co-defendants within the same case without encountering any legal conflicts of interest. Indeed, our joint, court/county conflict contracts require the two consortiums to represent up to five (5) co-defendants in any given case which is something the Public Defender's Office cannot handle.

When the Public Defender declined to accept cases in response to his budgetary cutbacks for FY 2008-09 (with short notice to the court), the conflict defense contractors were asked to quickly bid on handling this new category of "unavailable" Public Defender cases. Their bids were slightly higher than the Public Defender's Office costs of handling the same workload, because: (1) the Court and County could not select the cases that were being declined (nor correlate them to workload of the three attorneys whom were terminated); (2) there was no economy of scale because the Public Defender jettisoned only a portion of his workload; and (3) the number of cases that would be declined was only identified by the Public Defender as "maximum projected numbers."

The Public Defender has support staff in the form of investigators, secretaries, paralegals, and the like, as well as office space and equipment which are part of his overall infrastructure. These resources are not provided to the private contracting attorneys for the amount of compensation that was paid (\$385,000). Indeed, they would have to hire independent investigators and experts, etc., in certain cases. The only method by which such workload could be handled at substantially less expense would be if the entire Public Defender caseload were contracted out to a consortium of private attorneys whom would not have the overhead expenses associated with the benefit costs of salaried government attorneys. Such private attorneys would also potentially be able to handle some private retained cases to the extent that such representation in a given case did not constitute a secondary conflict with their contract cases. Thus, their office overhead expenses would be partially subsidized by such private workload. However, the court has no position on whether the Public Defender's services should be provided "in house" or not as that is a matter that is within the purview of the Board of Supervisors. This is simply intended to explain why the contract services for a portion of the Public Defender's workload are more expensive than the Public Defender's Office.

In summary, the County and the Court had limited alternatives for the provision of mandated appointed counsel for indigent defendants once the Public Defender declared "unavailable." Given the situation, the best immediate option was to seek amendment of the existing contracts of the conflict defense attorneys, who have an excellent and long track record for providing competent and qualified representation. They were less expensive than appointing individual, private

lawyers at hourly rates on a case-by-case basis. Further, it is more efficient to have a highly qualified smaller group of attorneys providing such services in terms of court time and calendaring. Finally, the court believes that the contract attorneys are performing well in handling the additional "unavailable PD" workload.

Cc: Arthur A. Garcia, Presiding Judge

Memorandum



Date: January 22, 2010
To: Jason Stilwell, Budget Director/ACEO
From: Richard Morgantini, FPA
Subject: Public Defender Unavailability

As requested, I've researched what other Counties have experienced with reducing Public Defender budgets/FTE's and unavailability.

Fresno County: Reduced budget and eliminating 6 PD attorneys in December 2009 resulting in their PD declaring some unavailability on cases starting in January.

Monterey County: Reduced PD budget and eliminated 2 non attorney FTE's without PD declaring unavailability. However, attempt was made to eliminate a vacant attorney position to which their PD said he would declare unavailability.

Santa Clara County: Some budget reduction but PD has not declared unavailability. In fact PD is looking to increase cases handled by now representing indigents on misdemeanors. The Santa Clara County PD has no attorneys' handling misdemeanor arraignments, unlike most other counties in the state. Contra Costa County's PD does the same.

San Luis Obispo County: reduced budget but they are using an outside firm for all PD services.

Alameda County: Reduced budget in FY 2009-10 cutting 14 of its 102 PD attorneys (\$1.4 million) from the prior fiscal year. This will result in the PD office handling 10,000 fewer cases and declaring unavailability on most of them and paying private attorneys to handle.

San Francisco: Reduced budget in FY 2009-10 (\$950K) resulting in unavailability for 2,000 cases. The County will pay outside attorneys to handle "time intensive" felony cases.

San Diego County: Reductions in budget but new PD has not declared unavailability.

Glen County: Reduction in FY 2009-10 budget but PD attorneys gave salary and benefit concessions to maintain staffing levels. No impact on cases.

Contra Costa County: Reduced budget in FY 2009-10 but new PD maintaining case loads. She is seeking a change in state funding for capital cases to help fund operations. She also wants to add case load by adding misdemeanors arraignment to their work.

Board Inquiry Form

Board Member	
Carbajal	x
Wolf	
Farr	
Gray	
Centeno	

Department: NA

Date: **March 1, 2010**

2009-10 Operating Plan Pages(s): NA

Request/Question:

What are the discretionary departmental designations and projected amounts available for June 30, 2010?

Report Back by:

Jason Stilwell, Assistant County Executive Officer, County Executive Office

Response:

As illustrated in Attachment 1, departmental General Fund designations are estimated to total approximately \$2.9 million on June 30, 2010. Departments are requesting to use approximately \$1.8 million of these "rainy day funds" to preserve services for Fiscal Year (FY) 10-11. As a result, if adopted by the Board of Supervisors (Board), departmental General Fund designations are forecasted to total \$1.1 million by June 30, 2011.

Attachment 2 shows that discretionary designations available in three special revenue funds will total approximately \$14.5 million on June 30, 2010. These funds include: 1) the Tobacco Settlement Fund (used for discretionary public health purposes), 2) the Social Services Special Revenue Fund, and 3) the Coastal Resource Enhancement Fund (used for discretionary coastal enhancement purposes). As part of the FY 2010-11 Budget, departments are requesting to use approximately \$4 million in designations across the three special revenue funds. If approved by the Board, this would reduce the balance for these three designations to \$10.5 million by June 30, 2011.

In addition to these departmental General Fund designations and special revenue fund designations, approximately \$25.9 million in primary discretionary General Fund designations will be available on June 30, 2010. This total does not include the approximately \$12 million set aside for ADMHS liabilities and the \$14.4 million for the MISC/CEC contingent liability. This figure was reported to the Board of Supervisors in a Board Inquiry on February 18, 2010, and has been included again in this Board Inquiry as Attachment 3.

Attachment 1 - Discretionary Departmental Designations (General Fund)

Department	Beginning Balance 6-30-2009	2009-2010 Estimated Changes to Designations	Estimated Balance 6-30-2010	2010-11 Estimated Changes to Designations	Estimated Balance 6-30-2011
Clerk-Recorder-Assessor	\$1,330,501	(\$844,078)	\$486,423	(\$486,423)	\$0
Human Resources	\$982,906	(\$719,000)	\$263,906	(\$80,000)	\$183,906
Planning & Development	\$661,913	(\$288,537)	\$373,376	(\$205,800)	\$167,576
Treasurer-Tax Collector	\$599,984	(\$129,456)	\$470,528	(\$470,528)	\$0
Auditor/Controller	\$471,852	\$0	\$471,852	(\$177,371)	\$294,481
Agriculture & Cooperative Extension	\$114,455	(\$100,000)	\$14,455	\$8,000	\$22,455
General Services	\$41,200	\$0	\$41,200	\$0	\$41,200
CEO	\$14,385	\$331,293	\$345,678	(\$331,293)	\$14,385
District Attorney	\$0	\$3,041	\$3,041	\$0	\$3,041
Sheriff	\$0	\$413,585	\$413,585	\$0	\$413,585
Public Health	\$0	\$15,011	\$15,011	(\$15,011)	\$0
TOTAL	\$4,217,196	(\$1,318,141)	\$2,899,055	(\$1,758,426)	\$1,140,629

Attachment 2 - Special Revenue Fund Designations with Some Discretion

Reserve - Designation	Beginning Balance 6-30-2009	2009-2010 Estimated Changes to Designations	Estimated Balance 6-30-2010	2010-11 Estimated Changes to Designations	Estimated Balance 6-30-2011
Tobacco Settlement (0046 - Endowment)	\$3,410,833	(\$456,332)	\$2,954,501	\$36,548	\$2,991,049
Tobacco Settlement (0046 - Ongoing Allocations)*	\$4,965,958	(\$465,586)	\$4,500,372	\$0	\$4,500,372
Dept of Social Services Special Revenue (0055)	\$5,353,146	\$598,535	\$5,951,681	(\$3,589,748)	\$2,361,933
Coastal Resource Enhancement (0063)	\$1,477,220	(\$352,220)	\$1,125,000	(\$502,000)	\$623,000
TOTAL	\$15,207,157	(\$675,603)	\$14,531,554	(\$4,055,200)	\$10,476,354

* Ongoing Allocations of Tobacco Settlement resources are provided annually to County departments delivering public health and mental health services, as well as outside entities including hospitals, emergency departments, and specialist physicians.

Attachment 3 - Other General Fund Designations (Provided to Board on Feb 23, 2010)

Reserve - Designation	Beginning Balance 6-30-2009	2009-2010 Estimated Changes to Designations	Estimated Balance 6-30-2010	Description
Designation - Roads	\$0	\$0	\$0	The Roads Designation is intended to supplement other Roads revenues in order to provide a greater amount of roads maintenance.
Designation - Litigation	\$3,795,291	-\$500,000	\$3,295,291	The Litigation Designation contains funds for potential settlements due to litigation that is not funded by the Liability Fund. This designation increases the County's ability to address unforeseen settlements without negatively impacting the operating budget.
Designation - American Recovery and Reinvestment Act of 2009 (ARRA) Matching	\$0	\$580,383	\$580,383	The ARRA Matching Designation is intended to assist with any local match requirements needed to receive program funding from the American Recovery and Reinvestment Act of 2009. Some of the stimulus grants may require a local match for which a determination would need to be made quickly.
Designation - Salary & Benefits Reductions (Furlough)	\$1,343,240	-\$1,343,240	\$0	The S & B Reductions Designation contains funds set aside from furlough savings to be used for layoff prevention.
Designation - Salaries & Retirement Offset	\$2,232,926	-\$264,914	\$1,968,012	The Salaries Designation contains funds to cover potential unanticipated salary and benefit cost increases.
Designation - Audit Exceptions	\$3,003,951	-\$2,100,000	\$903,951	The Audit Exceptions Designation contains funds to cover potential audit exceptions. Examples of two potential audit exceptions are ADMHS, which is \$12.6 million, and MISC, which is \$14.4 million.
Designation - Deferred Maintenance & Repair	\$292,472	-\$292,472	\$0	This designation is for deferred County building and parks maintenance/repair.
Capital Designation	\$6,438,975	-\$4,277,739	\$2,161,236	This designation provides one-time funds to support capital projects, including information systems projects. The ending balance of \$2.1 million includes \$1.1 million attributable to the low Emergency Operations Center bid.
Designation - Contingency	\$0	\$0	\$0	The General Fund Contingency is used to cover unforeseen requirements that may arise during the Fiscal Year that cannot be covered within departments' existing budgets. The Board appropriated \$800,000 in FY 09-10. \$652,600 is remaining as of Feb 2010; however, this entire amount is anticipated to be used as part of the County's FY 09-10 budget balancing strategy.
Sub-Total	\$17,106,855	-\$8,197,982	\$8,908,873	
Strategic Reserve	\$22,395,981	-\$5,396,885	\$16,999,096	In 2006-07 the \$25 million goal established in 1997-98 was reached. During fiscal year 2007-08 the Board approved transfers of over \$10.3 million for operations primarily in ADMHS and the Sheriff's Department. Due to fiscal constraints, the FY 2009-10 budget does not allocate any new funding to the strategic reserve.
TOTAL	\$39,502,836	-\$13,594,867	\$25,907,969	

Board Inquiry Form

Board Member	
Carbajal	X
Wolf	
Farr	
Gray	
Centeno	

Department: CEO/Human Resources

Date: March 1, 2010

CCPP Pages(s):

Request/Question:

What are the percentage increases for the Leadership program and non-leadership units since January 2007?

Report Back by: Susan Paul

Response:

Group	Fiscal Year 2007-2008 % Increases	Fiscal Year 2008-2009 % Increases	Fiscal Year 2009-2010 % Increases	Fiscal Year 2010-2011 % Increases
Union of American Physicians and Dentists	3.50%	3.50%	3.50%	3.50%
Firefighters Local 2046	2.70%	0.00%	2.50%	5.00%
Deputy Sheriff's Association	0.00%	2.50%	5.00%	6.00%
Deputy District Attorney's Association*	0.00%	See note.*		
Probation Peace Officers Association	2.70%	2.70%	0.00%	0.00%
Service Employees International Local 721	1.00%	2.00%	4.50%	Contract Expires
Service Employees International Local 620	1.00%	3.50%	4.50%	3.50%
Engineers and Technicians Association	1.00%	3.50%	4.50%	3.50%
Sheriff's Managers' Association	0.00%	2.50%	5.00%	6.00%
Unrepresented Managers and Executives**	2.91%	0.00%	0.00%	0.00%

*Deputy District Attorneys I, II, III receive step increases only; no COLAS. Deputy District Attorneys IV & Sr. do not receive COLAs; they received performance based increases of an average of 4% in 2009-10. The range of potential increases for Fiscal Year 2009-10 and Fiscal Year 2010-11 is 0% - 3.5%. The contract expires in October 2011.

**Unrepresented Managers and Executives received performance-based increases in FY 2007-2008; the average increase was 2.91%.