



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Auditor-Controller
Department No.: 061
For Agenda Of:
Placement: Admin 3/4
Departmental 3/11
Estimated Tme: 15 minutes
Continued Item: No
If Yes, date from:
Vote Required: NA

TO: Redevelopment Agency Board of Directors

FROM: Department Robert Geis, CPA, County Auditor-Controller / Redevelopment
Director(s) Agency Treasurer
Contact Info: Mark Paul, Division Chief, Specialty Accounting (x 2141)
Jamie Goldstein, Deputy Director, RDA (x 8050)

SUBJECT: **Santa Barbara County Redevelopment Agency AB 1290 Statutory Property Tax
Pass Through Payments**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: NA

Recommended Actions:

That the Board of Directors set a hearing for March 11 to:

Receive a briefing regarding the allocation of Isla Vista Project Area statutory property tax pass through payments from the Santa Barbara County Redevelopment Agency to local taxing entities.

Summary Text:

This item is on the agenda to notify the Board that the Redevelopment Agency Treasurer-Fiscal Officer has revised the statutory pass through payments for the Isla Vista Project Area to comply with State Law. As a result, those statutory property tax pass through payments from the Redevelopment Agency to taxing entities have been discontinued. Negotiated property tax payments from the Isla Vista Project Area will continue.

Background:

In 1994 the State legislature passed AB 1290 amending Community Redevelopment Law (CRL). The bill required, among other things, that amended redevelopment plans make specified payments to local taxing entities affected by redevelopment agencies. In 1998 the legislature passed AB 1342, which created a one-year window to make certain types of redevelopment plan amendments without triggering AB 1290 requirements, including the payment of statutory property tax pass through payments. Specifically, AB 1342 allowed the amendment of a redevelopment plan's time limits and effectiveness through a simple ordinance process. In 1999 the Santa Barbara County Redevelopment Agency

amended the Isla Vista Redevelopment Plan to extend the Plan’s time limits and effectiveness, consistent with the AB 1342 ordinance process.

However, since 1999 the Agency has made AB 1290 statutory property tax pass-through payments to local taxing entities. Also, in 1999 the Board of Supervisors passed Resolution 99-487 (Attachment 1) describing an intent to allocate the County General Fund’s portion of that statutory pass through payments to the to the Fire District.

In November 2007, an independent study by the redevelopment consulting firm, Keyser Marston, concluded that while the statutory pass throughs had been paid since 1999, such payments were premature (Attachment 2). County Counsel concurred with this analysis. In addition, the Redevelopment Agency obtained a legal opinion from the independent law firm Goldfarb and Lipman, who verified the earlier opinion by Keyser Marston in a letter (Attachment 3). As tax increment collection limits were reached in 2007, the Redevelopment Agency will not seek repayment for past over-allocation of statutory pass-through payments.

Impacts:

Budgeted: NA

Fiscal Analysis:

Correcting the pass through of property taxes will shift approximately \$728,000 in FY 07/08, making those monies available to fund infrastructure improvements in the Isla Vista project area. Of that amount, approximately \$347,000 will come from State since the State backfills local school districts. In addition, total pass through payments to the County, and County Districts, will be reduced by approximately \$320,000. Finally, funding to other special districts will be reduced by approximately \$63,000.

District	FY07-08	FY06-07	
County General **	\$ 175,198	\$ 140,017	
City of Goleta	13,833	13,881	
Co. Service Area #31	4,806	3,551	
S.B. Co. Fire Protection Dist	106,993	85,923	
S.B. Co. Flood Cntrl/Wtr Cons	2,461	1,983	
So. Coast Flood Zone	10,521	8,474	
S.B. County Water Dist.	3,199	2,524	
Goleta Cemetery Dist.	-	0	
S.B. Metro Transit Dist.	-	0	
S.B. Coastal Vector Control	-	0	
Isla Vista Rec & Park	-	0	
Goleta West Sanitary Dist.	62,676	50,536	
Goleta Union School Dist.	-	0	
Santa Barbara High	136,018	109,229	}
S.B. Community College	47,576	38,204	
Co. School Admin CSSF	32,688	26,249	
State of California Education Revenue Augmentation Fund	132,139	104,261	
TOTAL	<u>\$728,108.00</u>	<u>\$584,832.25</u>	State backfills

** Amounts transferred to S.B. Co. Fire

Staffing Impacts:

Legal Positions:

FTEs:

Special Instructions: Affected taxing entities have been mailed notice of this hearing

Attachments:

Attachment 1 – BOS Resolution 99-487

Attachment 2 – Keyser Marston Financial Report for the Isla Vista Project Area

Attachment 3 – December 27, 2007 Goldfarb and Lipman Letter

Authored by:

Jamie Goldstein

cc:

Attachment 1

Resolution 99-487

Attachment 2

Goldfarb and Lipman Letter

Attachment 3

Keyser Marston Financial Consultant Report