



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: July 10, 2012
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Directors, Successor Agency to the County Redevelopment Agency

FROM: Auditor-Controller, Robert W. Geis

Contact Info:
Auditor-Controller

Name & Phone
Robert W. Geis 2101

SUBJECT: County RDA Successor Agency Payments to Taxing Entities for FY 2011-12

County Counsel Concurrence

As to form: Yes

Other Concurrence: Select_Other

As to form: Yes CEO

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

Acting as the Board of Directors of the County of Santa Barbara Successor Agency, approve the attached budget revision request to establish appropriations of \$1,603,500 in the RDA Successor Agency Operations Fund to provide for a Contribution to Other Governments per Health and Safety Code Section 34183.5, funded by a release of restricted fund balance.

Summary Text:

The Legislature adopted AB 1484 and the Governor signed the legislation into law June 27, 2012. The bill modified and added provisions to existing law in order to continue with the dissolution of redevelopment agencies throughout the State Of California. Section 34183.5 of the law was added because of the delayed implementation under the existing law due in part to the California Supreme Court ruling regarding the Redevelopment Agency dissolution. This section requires the successor agency to remit payments if it did not pay any portion of an amount owed for the 2011-12 fiscal year to an affected taxing entity.

Background:

Auditor-Controllers through-out the State of California were unable to carry-out certain provisions of the original RDA dissolution legislation since they distributed property tax increment to existing Redevelopment Agencies (RDA's) prior to the dissolution effective date of February 1, 2012. Property taxes collected in the first half of the fiscal cycle for FY 2011-12 were distributed in December 2011. Therefore certain payments to be redistributed to taxing agencies anticipated in the original legislation did not materialize. AB 1434 essentially "claws back" a portion of the taxes distributed in December

2011 and sets July 9, 2012 as the date for the County Auditor-Controller to notify successor agencies of amounts of funds owing to taxing agencies based upon the December 2011 property tax payment. Exhibit A attached to this letter details the amounts due from Successor Agencies. By July 12, 2012 each Successor agency must make payment to the Auditor-Controller for deposit into the Redevelopment Property Tax Trust Fund (RPTTF) for distribution to taxing agencies as detailed on Exhibit B by July 16, 2012. If a successor agency does not make the July 12 payment then the State will withhold sales tax distribution due to County or Cities July 18, 2012 for this payment due the taxing entities.

The County Successor Agency has sufficient funds on hand to appropriate and make the required distribution in FY 2011-12 and has recorded as an expenditure on the books of the Successor Agency for remittance of the required contribution to the RPTTF.

Performance Measure:

N/A

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
Restricted Fund Bal	\$1,603,500	\$ 2,395,006.00	
Total	\$1,603,500	\$ 2,395,006.00	\$ -

County of Santa Barbara Former RDA:

This County of Santa Barbara Successor Agency distribution calculation to the taxing agencies is detailed on attached Exhibits A and B that results in a residual balance of \$1,603,500 available for distribution to taxing agencies.

All Former RDAs:

Taking into effect all RDA Successor Agencies, the residual balance available for distribution is \$6,953,014. The residual balance to the general fund from all agencies is \$1,629,670. This will be recorded as revenue in the County general fund in FY 2011-12 and will flow to the strategic reserve as required by the County’s adopted budget resolution for FY 2012-13. The total amount of funds distributed to the general fund for FY 2011-12 from this distribution and the prior distribution on June 1, 2012 is \$3,928,242.

Payments due July 12 from the City and County Successor Agencies to the RPTTF and for unpaid pass throughs are displayed on Exhibit A and also summarized below:

Successor Agency for Buellton City	\$ 277,396
Successor Agency for Goleta City	1,870,179
Successor Agency for Guadalupe City	521,772
Successor Agency for Lompoc City	711,272
Successor Agency for Santa Barbara City	2,247,206
Successor Agency for Isla Vista County	1,603,500
Successor Agency for Santa Maria City	<u>549,991</u>
Total	\$7,781,316

Staffing Impacts: The dissolution of the agencies is having a workload effect on the County CEO staff, Oversight Board members, County Counsel and the Auditor-Controller. While certain costs are reimbursable the shifting of staff resources is proving to be difficult and certain other tasks are put in arrears.

Legal Positions:

FTEs:

Special Instructions:

None

Attachments:

Budget Revision #0002384

Exhibit A RPPTF Allocations for True-up distribution H&S 34183.5

Exhibit B Detailed Distribution to Taxing Agencies

Authored by:

Bob Geis

cc: