



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: CEO
Department No.: 012
For Agenda Of: 7/17/07
Placement: Departmental
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Michael F. Brown, County Executive Officer
Director(s)
Contact Info: Terri Maus Nisich, Assistant County Executive Officer, 568.3400
SUBJECT: Application of AB 1019 (Housing Allocation) in Master Tax Exchange Agreements

County Counsel Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: Select_Concurrence

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors adopt a policy to include the negotiation of housing credits associated with the state regional housing needs allocation (RHNA) as part of the tax exchange agreements required for annexations.

Summary Text:

Assemblymember Blakeslee has introduced the County sponsored Assembly Bill (AB) 1019, which authorizes an agreement between cities and counties on a revised RHNA determination during the annexation process. In accordance with the principles espoused by this legislation, the County Executive Office is recommending that the Board adopt a policy to allow County staff to negotiate with a city that is proposing to annex County lands for a percentage of the housing credits associated with the residential units correlating to these annexed lands.

Section 99 of the Revenue and Taxation Code of the State of California provides that no change of jurisdictional boundaries shall become effective until each city and county whose service areas or service responsibilities would be altered by such change agree by resolution to a negotiated exchange of property tax revenue. Should the Board adopt the recommended policy, language regarding the percentage of transfer of housing would be included in such a resolution and an annexation would not be approved unless a city and the County reached a mutually acceptable agreement on the housing issue. As per Assembly Bill 1019, the agreement would occur between a city and the County, with a final determination made by the council of governments, which locally is the Santa Barbara County Association of Governments (SBCAG), if a city and the County could not reach an agreement.

Background: The Board of Supervisors identified State housing reform as its primary legislative goal at its November 21, 2006 meeting. As a result, County staff secured sponsorship of a legislative bill that:

- Reconciles land that unincorporated counties give through annexation by requiring receiving cities to negotiate during annexation proceedings to redistribute RHNA share in a timely manner. Specifically, the Bill establishes equity and parity between cities and counties regarding RHNA allocation. Current legislation does not address this situation.
- Furnishes a remedy that establishes a procedure that promotes fairness and objectivity for both Counties and Cities by allowing the use of the Council of Government as a neutral arbitrator if Cities and Counties could not reach consensus regarding the transfer of RHNA as part of annexation procedures.
- Furthers the longstanding debate over RHNA distribution by clarifying and highlighting the value of a county's land inventory and the limits of counties to find suitable replacement land when large annexations occur *after* the regional housing share has been distributed.

The Board unanimously adopted a resolution in support of AB 1019 on March 13, 2007. The bill is supported by the California State Association of Counties, the California Association of Councils of Governments and various other counties including San Luis Obispo, San Diego, Santa Clara and Sonoma. AB 1019 is scheduled for its third reading in the Senate, afterward it will be sent to the Assembly for concurrence. All legislative bills must be passed by September 14, 2007 and signed or vetoed by the Governor by October 14, 2007.

Although this bill has not yet been enacted, the County believes it is in its best interest to include negotiation for housing credits associated with RHNA as part of its overall negotiations for pending annexations.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

Narrative: Application of the concept promulgated by this bill would assist the County in its compliance with the mandatory Housing Element. Furthermore, the negotiation strategy for pending annexations would be more holistic and examine regional housing needs as well as the required property tax exchange agreement before being approved by the Board.

Staffing Impacts:

Legal Positions:

N/A

FTEs:

N/A

Attachments:

Authored by:

Sharon Friedrichsen, Assistant to the CEO, 568.3107

cc:

Ron Cortez, Deputy CEO

John Baker, Director, Planning and Development

John McInnis, Director, Office of Long Range Planning

David Matson, Project Manager, General Plan Amendments, Office of Long Range Planning