



# Impacts of the Redevelopment Restructuring Act on the County Redevelopment Agency

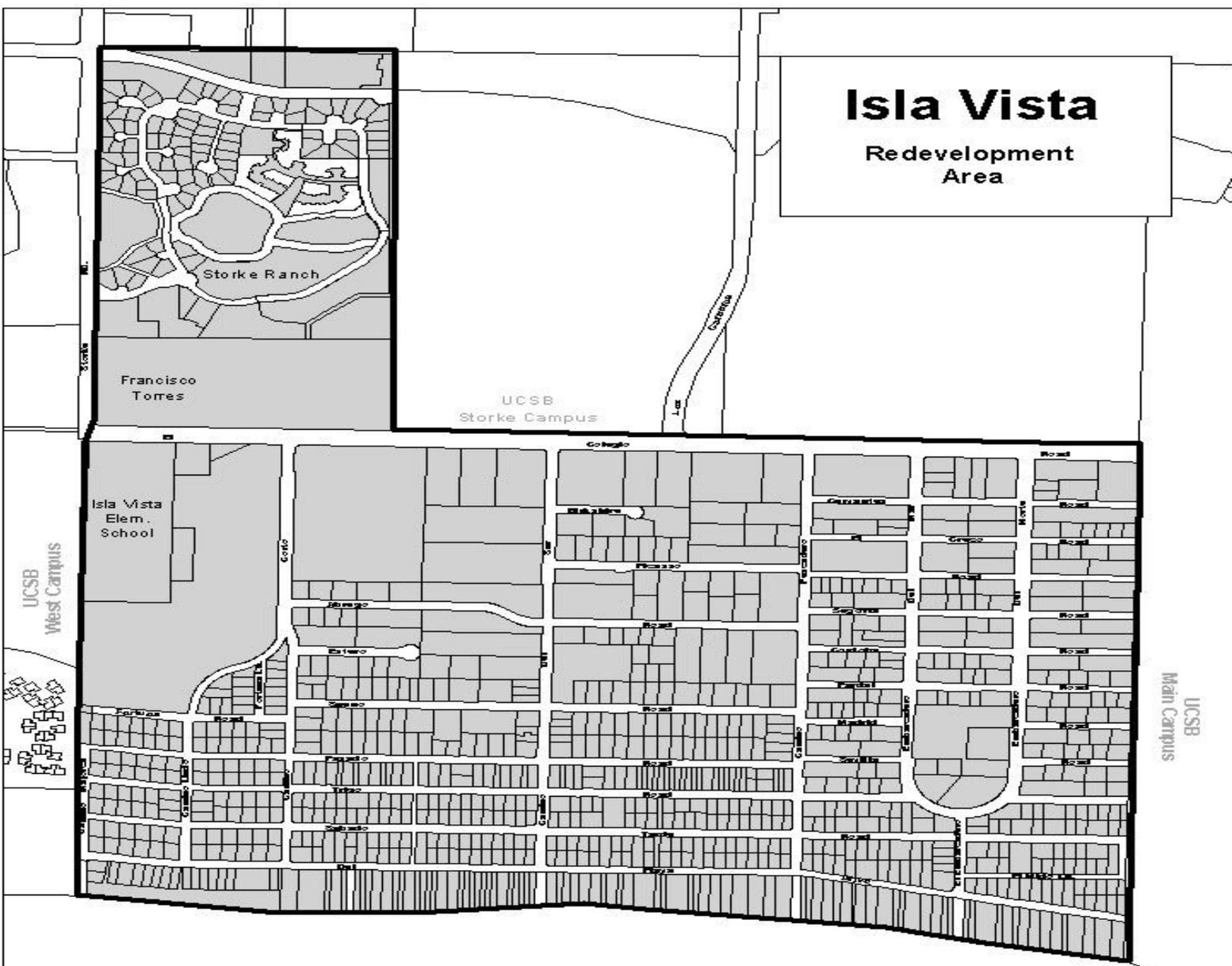


SANTA BARBARA COUNTY  
REDEVELOPMENT AGENCY

September 6, 2011

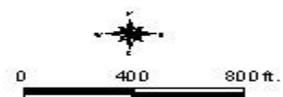
# Isla Vista

## Redevelopment Area



- Legend**
-  Isla Vista Redevelopment Boundary
  -  Assessor Parcel Lines
  -  Isla Vista Redevelopment Area

*Santa Barbara Channel*



Source: Santa Barbara County Planning and Development

# Redevelopment Restructuring Act

On June 28, 2011, two new bills were enacted which affect all California Redevelopment Agencies

- **ABX1 26** (i.e. the “Dissolution Bill”) eliminates all redevelopment agencies effective October 1, 2011.
- **ABX1 27** (i.e. the “Continuation Bill”) would allow RDA’s to continue if certain payments to the State are made.

# Litigation Update

July 18<sup>th</sup>: Litigation challenged ABX1 26 and ABX1 27 in Cal. Supreme Ct. & requested stays

August 11<sup>th</sup> & 18<sup>th</sup>: Cal. Supreme Court stayed most of ABX1 26 & almost all of ABX1 27

August 22<sup>nd</sup>: CRA requested further stay modifications; Court's ruling pends.

# Preserving County's Options

Not clear how Court will resolve litigation

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Court's decision not expected until January 2012

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If Court upholds ABX1 26 and/or ABX1 27, effect not clear on already-passed deadlines

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Recommendations 1-3 best preserve County's options, but may require repeat actions later

# Key Dates for Decisions on ABX1 26 & ABX1 27

## August 9<sup>th</sup> Hearing

## September 6<sup>th</sup> Hearing

## October 4<sup>th</sup> Hearing

August 15: Stay  
Granted

October 1: RDA  
Dissolves Unless...

Appeal Remittance  
Calculation?  
By August 15  
§34194(b)(2)(L)(i)

Nonbinding  
Resolution of  
Intent?  
By September 30  
§34193(b)

"Enact" Ordinance  
for ABX1 27  
Voluntary  
Program?  
By November 1\*  
§34193

RDA Adopts  
Enforceable Obligations  
Payment Schedule By  
August 28  
§34169(g)(1)

RDA Provides Draft of  
Initial Recognized  
Obligation Payment  
Schedule to Successor  
Agency By September  
30 §34169(h)

(\*November 1, Only If Prior Nonbinding Resolution)  
("Enact" = "Second Reading")

Successor Agency  
Prepares Draft  
Recognized Obligations  
Payment Schedule By  
November 1  
§34177(l)(2)(A)

Successor Agency  
Opt Out?  
By September 1  
§34173(d)(1)

Retain Housing  
Assets &  
Functions? Silent:  
By October 1  
§34176(a)

# Housing Assets & Functions

- County may elect to retain RDA's housing assets and functions, if RDA dissolves
- Otherwise, housing assets and functions go to County Housing Authority
- Section 34176(a) = stayed, but Staff recommends conditional resolution for County to retain

# Nonbinding Resolution of Intent to Continue the RDA

- Extends County's time to enact AVRP ordinance
- Does not obligate County to enter ABX1 27's AVRP
- Section 34193(b) stayed, but Staff recommends conditional, nonbinding resolution

# Preliminary Draft Initial ROPS

- Projects dates and amounts of RDA's scheduled payments
- RDA required to provide to Successor Agency by September 30<sup>th</sup>. Section 34169(h) not stayed.
- Staff recommends that RDA Board adopt resolution to forward preliminary draft initial ROPS to County, as Successor Agency

# Fiscal Impacts - Continuation

- County required to make a one-time Remittance Payment of \$1.95 million in FY 11/12 and a \$459 thousand annual payment thereafter
  - funds are available in existing and ongoing annual budgets
- Annual operating budget for the RDA would be approximately \$3.5 million
  - \$1.4 million to pay RDA outstanding debt
  - \$1.2 million for affordable housing programs
  - \$941 thousand for overhead and RDA general programs.

# Fiscal Impacts - Dissolution

- Liquidation of RDA assets would result in the one-time distribution of approximately \$5.4 million:
  - \$894 thousand to the County's General Fund
  - \$544 thousand to the County Fire Protection District
  - \$3.9 million to other Affected Taxing Entities
- On an ongoing annual basis:
  - Additional \$571 thousand to the County's General Fund
  - Additional \$348 thousand to the County Fire Protection District
  - Additional \$1.45 million to other Affected Taxing Entities

# Policy Impacts

- Outstanding risk that COP's are not an Enforceable Obligation
  - County could lose \$1.4 million per year for seventeen years
- Impacts on Affordable Housing
  - Less Affordable Housing development in Isla Vista
  - More difficult to attain RHNA goals of Housing Element
- Encouraging Economic Development
  - RDA has expended \$33 million in the last five years

# Recommendations

## That the Board of Supervisors:

1. Adopt a resolution retaining the housing assets, functions and powers previously performed by the Redevelopment Agency.
2. Adopt a non-binding resolution of intent to participate in the Alternative Voluntary Redevelopment Program.
3. Direct staff to return on October 4<sup>th</sup> to introduce an ordinance to enter the Alternative Voluntary Redevelopment Program, and to adopt a reimbursement agreement between the County and the RDA to provide for RDA reimbursement of required remittances to the State under ABX1 27.

## That the Redevelopment Agency Board of Directors:

1. Adopt a resolution directing staff to forward the preliminary draft of the initial Recognized Obligation Payment Schedule to the Successor Agency.