



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: Planning & Development
Department No.: 053
For Agenda Of: February 21, 2012
Placement: Departmental
Estimated Tme: 30 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors, County of Santa Barbara
FROM: Director: Chandra L. Wallar, County Executive Officer
Contact Info: Glenn Russell, Ph.D., Director, Planning and Development (x 2085)
Errin Briggs, Program Manager, Redevelopment Agency (x 2047)
SUBJECT: Report on RDA Successor Agencies and Oversight Board Selections

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Recommended Actions

That the Board of Supervisors of the County of Santa Barbara, acting as the Successor Agency to the Santa Barbara County Redevelopment Agency:

1. Adopt a Resolution adopting a draft Recognized Obligation Payment Schedule pursuant to Health and Safety Code Section 34177(1)(2)(A) [Attachment 1].

That the Board of Supervisors of the County of Santa Barbara:

2. Appoint a single member to the Oversight Boards of each of the (7) Successor Agencies to the (7) former Redevelopment Agencies within the County of Santa Barbara pursuant to Health & Safety Code Section 34179(a)(1) as follows:
 - a. Appoint County Executive Officer Chandra L. Wallar to the Oversight Boards of the Successor Agencies to the former City of Guadalupe and City of Santa Barbara Redevelopment Agencies.
 - b. Appoint Assistant County Executive Officer Renée Bahl to the Oversight Boards of the Successor Agencies to the former City Goleta, City of Lompoc, City of Santa Maria and County of Santa Barbara Redevelopment Agencies.

Auditor-Controller Concurrence

As to form: Yes

- c. Appoint Public Works Deputy Director of Finance & Administration Mark Paul to the Oversight Board of the Successor Agency to the former City of Buellton Redevelopment Agency.
3. Establish an ad hoc Board Subcommittee, to expire on or before May 15, 2012, which would make recommendations of potential Oversight Board members under Health & Safety Code Section 34179(a)(6) to the entire Board of Supervisors. Decision-making authority for Oversight Board appointments would remain with the entire Board of Supervisors.

That the Board of Supervisors, acting as the Board of Directors of the Santa Barbara County Fire Protection District:

4. Appoint County Executive Officer Chandra L. Wallar to the Oversight Boards of each of the Successor Agencies to the former City of Buellton, the City of Goleta and the County of Santa Barbara Redevelopment Agencies pursuant to Health & Safety Code Section 34179(a)(3).

That the Board of Supervisors, acting as the Board of Directors of the Santa Barbara County Flood Control and Water Conservation District:

5. Appoint Public Works Deputy Director of Finance & Administration Mark Paul to the Oversight Board of the Successor Agency to the former City of Santa Maria Redevelopment Agency pursuant to Health & Safety Code Section 34179(a)(3).
6. Appoint Assistant County Executive Officer Renée Bahl to the Oversight Board of the Successor Agency to the former City of Santa Barbara Redevelopment Agency pursuant to Health & Safety Code Section 34179(a)(3).

Summary Text/Background

All Redevelopment Agencies in the State of California including the County of Santa Barbara Redevelopment Agency were eliminated on February 1, 2012 pursuant to ABX1 26 (the “dissolution act”). On January 10, 2012, your Board took no action, thus allowing the County to become the “Successor Agency” to the former County Redevelopment Agency (RDA) in Isla Vista. As such, the former RDA’s assets and liabilities are now under the control of the County.

The Board was briefed previously on matters pertaining to the effects of ABX1 26 in prior Board Letters on August 9, 2011, September 6, 2011, October 4, 2011, October 11, 2011, January 10, 2012 and January 24, 2012. However, this Board Letter contains additional detail and recommendations related to the selection of members to the Oversight Boards of each of the (7) Successor Agencies to the (7) former Redevelopment Agencies within the County of Santa Barbara.

While redevelopment agencies have been eliminated, there may be further legislative action seeking to clarify several provisions within ABX1 26. For example, Senate Bill 654 (Steinberg) is currently under consideration and, if enacted, would clarify the treatment of both Certificate of Participation reimbursement agreements and Low and Moderate Income Housing Funds. Additionally, Assembly Bill 1585 (Perez) would, among other things, clarify the treatment of Low and Moderate Income Housing Funds and former RDA employee representative appointments to Oversight Boards under Health & Safety Code Section 34179(a)(7).

Draft Recognized Obligation Payment Schedule – County RDA in Isla Vista

This item must be acted upon prior to March 1, 2012. February 21, 2012 is the last scheduled Board hearing prior to this deadline. ABX1 26 required the former RDA to disclose all existing contractual obligations including the payee, the amount of the obligation and a brief description of each obligation. On January 24, 2012, the RDA Board of Directors adopted resolution number 12-14 adopting the Agency's amended Enforceable Obligation Payment Schedule ("EOPS"). The EOPS was amended to include a more complete list of RDA contractors and the time period covered by the document was extended to include the entire 2011/12 fiscal year. Until such time as the Successor Agency adopts an ROPS, all future payments made by the County, acting as the Successor Agency to the RDA, will be cross-checked against the adopted EOPS to ensure the County is expending funds only for those projects and operational obligations listed in the EOPS and in effect prior to adoption of ABX1 26.

In addition to the former RDA adopting an EOPS, the Successor Agency must prepare and adopt a draft ROPS covering the time period from October 1, 2011 to July 1, 2012 pursuant to Health & Safety Code Section 34177(l)(2)(A). The draft ROPS contains much of the same information regarding RDA obligations as the EOPS, but is a preliminary document adopted by the Successor Agency rather than by the former RDA. Pursuant to ABX1 26, the draft ROPS must be completed and adopted by the Successor Agency prior to March 1, 2012; the California Supreme Court's decision on ABX1 26 extended this deadline four months from November 1, 2011. Pursuant to Section 34169(h), the former RDA Board of Directors originally adopted Resolution No. 11-313 on September 6, 2011 adopting the initial draft ROPS. Staff has now prepared a draft ROPS which includes updates similar to those included in the amended EOPS adopted on January 24, 2012. Staff recommends the County, acting as Successor Agency to the RDA, adopt a resolution adopting the draft Recognized Obligation Payment Schedule [Attachment 1].

Once the ROPS is adopted by the Successor Agency, it must be approved by the Oversight Board [34180(g)]. The County Auditor/Controller's Office also is required by the act to cause to be performed, an agreed upon procedures audit that includes certification of the ROPS pursuant to Health & Safety Code Section 34177(l)(2)(A). In order to finalize the ROPS, the audit must be certified by the Auditor-Controller and submitted to the to the Successor Agency Oversight Board for final approval [Section 34177(l)(2)(B)]. The Successor Agency will then post the approved ROPS on its website and also submit it back to the County Auditor-Controller, and also the State Controller and State Department of Finance for their review and recommendations for any reconsideration required of the local agencies.

Successor Agencies and the Oversight Boards

Section 34179(a) of ABX1 26 requires the establishment of an Oversight Board for each former Redevelopment Agency. The Oversight Board is generally intended to supervise the activities of the Successor Agency and ensure the former RDA's assets are distributed to the taxing entities expeditiously and in a manner that maximizes value. The Oversight Board has a fiduciary responsibility to holders of Enforceable Obligations of the former RDA and to the taxing entities that would benefit from the distribution of revenues generated by the liquidation of RDA assets. There are (7) former Redevelopment Agencies located within the County of Santa Barbara for which Oversight Boards will be appointed including the City of Buellton, City of Goleta, City of Guadalupe, City of Lompoc, City of Santa Barbara, City of Santa Maria and the County of Santa Barbara (Isla Vista project area). Each Oversight Board will consist of seven members. The Court-revised deadline for forming and reporting membership of the Oversight Boards is May 1, 2012. The Governor may appoint individuals to any

unfilled positions as of May 15, 2012 or to any member position that remains vacant for more than 60 days.

Staff has developed and included as attachments to this Board Letter two Matrices detailing appointments to the Oversight Boards; 1) The “Matrix of Oversight Board Appointments by Law – All” included herein as Attachment 2, and 2) The “Matrix of Recommended Oversight Board Membership Appointments – County BOS Only” included herein as Attachment 3. The “Matrix of Oversight Board Membership Appointments by Law – All” comprehensively details all appointments to be made to the (7) Oversight Boards within the County of Santa Barbara under the current legislation. The “Matrix of Recommended Oversight Board Membership Appointments – County BOS Only” details staff’s recommendations of the Oversight Board appointments to be selected by your Board. Staff recommends your Board make the appointments specified in the “County BOS Only” Matrix today. If the Department of Finance identifies a different methodology for determining the “largest special district” for purposes of 34179(a)(3), your Board may replace any affected appointments as appropriate. Further, your Board may replace appointments for any member positions it appoints during open session at future date(s).

Staff recommends your Board select two members {County Board of Supervisors member appointments [34179(a)(1)] and the “Public at Large” member appointments [34179(a)(6)] }to the Oversight Boards of each of the Successor Agencies to the (7) former Redevelopment Agencies within the County (see the “Matrix of Oversight Board Appointments by Law – All” included as Attachment 2). Your Board, pursuant to 34179(a)(3) and acting as the Board of Directors of the County Fire Protection District and the Santa Barbara County Flood Control and Water Conservation District, will also appoint a third member to the Oversight Boards of the Successor Agencies to the City of Buellton, the City of Goleta, the City of Santa Barbara, the City of Santa Maria and the County of Santa Barbara Redevelopment Agencies.

It is important that members selected to Oversight Boards understand the policy framework which governed former Redevelopment Agencies and now currently governs their Successor Agencies. Oversight Board members should also possess a strong understanding of local government finance and transactions such as those included on the ROPS in order to serve effectively. The appointees recommended herein by staff possess these qualifications.

Member Selection Process - Oversight Board for the County RDA Successor Agency (Isla Vista)

On January 10, 2012, your Board reaffirmed its decision that the County of Santa Barbara become the “Successor Agency” to the County of Santa Barbara Redevelopment Agency (Isla Vista) by taking no action under Health & Safety Code Section 34173(d)(1). Additionally, your Board may appoint three members to the Oversight Board of the Successor Agency to the former County RDA. Those appointments include members representing the Board of Supervisors [34179(a)(1)], the largest special district by property tax share with territory in the jurisdiction of the former RDA (County Fire District) [34179(a)(3)], and the Public-at-Large [34179(a)(6)].

Today, staff recommends your Board appoint two members to the Successor Agency Oversight Board of the former County RDA including County Executive Officer Chandra L. Wallar to fill the County Fire District member position and Assistant County Executive Officer Renee Bahl to fill the Board of Supervisors member position. Rather than make an appointment for the “Public at Large” member to the at this time, staff recommends your Board establish a subcommittee to make recommendations for all “Public at Large” appointments under 34179(a)(6) for consideration of the full Board as detailed below.

Three of the remaining four member positions for the Successor Agency Oversight Board of the former County RDA will be appointed by individuals representing outside agencies including the Chancellor of the California Community Colleges, the County Superintendent of Education and the Goleta City Council. The fourth remaining member position would represent the employees of the former County RDA. Staff is not addressing the RDA employee union member appointment under 34179(a)(7) at this time and will return with more information at a later Board date.

Oversight Board Selection Process for all (7) Oversight Boards – Public-at-Large Member

Each Successor Agency Oversight Board will include a member position for the “Public-at-Large” pursuant to Health & Safety Code Section 34179(a)(6). Your Board, acting as the Board of Supervisors, will fill these positions for all (7) Successor Agency Oversight Boards in the County by appointing members of the public. In order to initiate a selection process, staff recommends the Board establish an ad hoc Board Subcommittee, which would make recommendations of potential Oversight Board members for the Public-at-Large appointments to the entire Board of Supervisors. The Subcommittee would include two County Supervisors responsible for making recommendations to the entire Board for the Public-at-Large appointments to each of the (7) Successor Agency Oversight Boards within the County. A single individual can serve on up to (5) Oversight Boards. The Subcommittee would expire on or before May 15, 2012, and decision-making authority for Oversight Board appointments would remain with the entire Board of Supervisors. Staff recommends the Subcommittee determine its recommendations and provide them to the entire Board for consideration and selection at the April 3, 2012 Board hearing.

Member Selection Process – Oversight Boards for the (6) City RDAs within the County

Each of the (6) cities within the County with former Redevelopment Agencies chose to become the Successor Agency of their respective Redevelopment Agency by taking no action under Health & Safety Code Section 34173(d)(1). Those cities include the City of Buellton, the City of Goleta, the City of Guadalupe, the City of Lompoc, the City of Santa Barbara and the City of Santa Maria.

Your Board may appoint at least two members (County Board of Supervisors member appointments [34179(a)(1)] and the Public-at-Large member appointments [34179(a)(6)]) to each of these (6) Successor Agency Oversight Boards. Additionally, because the largest special district by property tax share in the territories of several of these former RDAs are County special districts, your Board may also appoint a third member to the Successor Agency Oversight Boards of the former City of Buellton, City of Goleta, City of Santa Barbara and City of Santa Maria Redevelopment Agencies pursuant to Health & Safety Code Section 34179(a)(3). Staff recommends filling these positions by appointing County Executive Officer Chandra L. Wallar, Assistant County Executive Officer Renee Bahl and Public Works Deputy Director of Finance & Administration Mark Paul as shown under the 34179(a)(1) and 34179(a)(3) columns in the “Matrix of Recommended Oversight Board Membership Appointments – County BOS Only” included as Attachment 3.

Staff also recommends that your Board use the above-mentioned ad hoc Board Subcommittee to make recommendations under the 34179(a)(6) column in Attachment 3 for the Public-at-Large appointments to the other (6) Successor Agency Oversight Boards located within the County.

Fiscal Impacts

Future administrative costs for County support of the Successor Agency to the County RDA are currently unknown. However, such costs are recoverable in an amount up to 5% of property taxes deposited into the Redevelopment Property Tax Trust Fund for fiscal year 2011-12 (approximately \$300,000) and up to 3% of the ROPS payments transferred to the Successor Agency Recognized Obligation Retirement Fund each year thereafter. In all cases, the annual amount shall not be less than \$250,000. Administrative costs in excess of the amount received from the Redevelopment Property Tax Trust Fund would need to be funded from alternative sources.

Attachments

1. Resolution Setting Forth the Draft Recognized Obligation Payment Schedule
2. Matrix of Oversight Board Appointments by Law – All
3. Matrix of Recommended Oversight Board Membership Appointments – County BOS Only

Authored by:

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cc:

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