

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Santa Barbara, CA 93101
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Agenda Number:
Prepared on: April 14, 2006
Department Name: County Executive Office
Department No.: 990
Agenda Date: May 2, 2006
Placement: Admin
Estimate Time: 15 min on 5/16
Continued Item: No
If Yes, date from:

TO: Redevelopment Agency Board of Directors

FROM: Michael F. Brown, Executive Director, Redevelopment Agency

STAFF CONTACT: Terri Maus-Nisich, Assistant County Executive Officer
Ed Moses, Director, Housing and Community Development
Jamie Goldstein, Deputy Director, Redevelopment Agency (x 8050)

SUBJECT: Redevelopment Agency FY 06/07 Budget

Recommendation:

That the Board of Directors set a hearing on May 16, 2006 to consider the proposed Santa Barbara County Redevelopment Agency FY 06/07 budget, and

Set a hearing on June 16, 2006 for the Redevelopment Agency Board of Directors to adopt the Redevelopment Agency FY 06/07 budget.

Background:

California Redevelopment Law (CRL) requires the Redevelopment Agency to adopt a budget each fiscal year. That budget can be prepared and reviewed as part of the County's regular annual budgeting process. The Agency is required, however, to adopt a budget separate from the County.

During the previous fiscal year, the Agency was relocated to the County Executive Office to expedite implementation of critical Redevelopment Agency initiatives. From the CEO's Office staff initiated several key projects necessary for Isla Vista Redevelopment. Those projects include:

- Downtown private projects-development agreements
- Update to 5-Year Implementation Plan
- Pardall Road design / engineering
- Parking program appeal w/Coastal Com
- Downtown parking lot acquisition
- Land acquisition and rehab
- Commence Anisq' Oyo' park redesign project
- RDA plan amendment
- Community Center/Estero Park
- Outdoor dining ROW lease program
- El Colegio Road implementation
- In lieu parking fee program
- Agency & Project Area Committee management

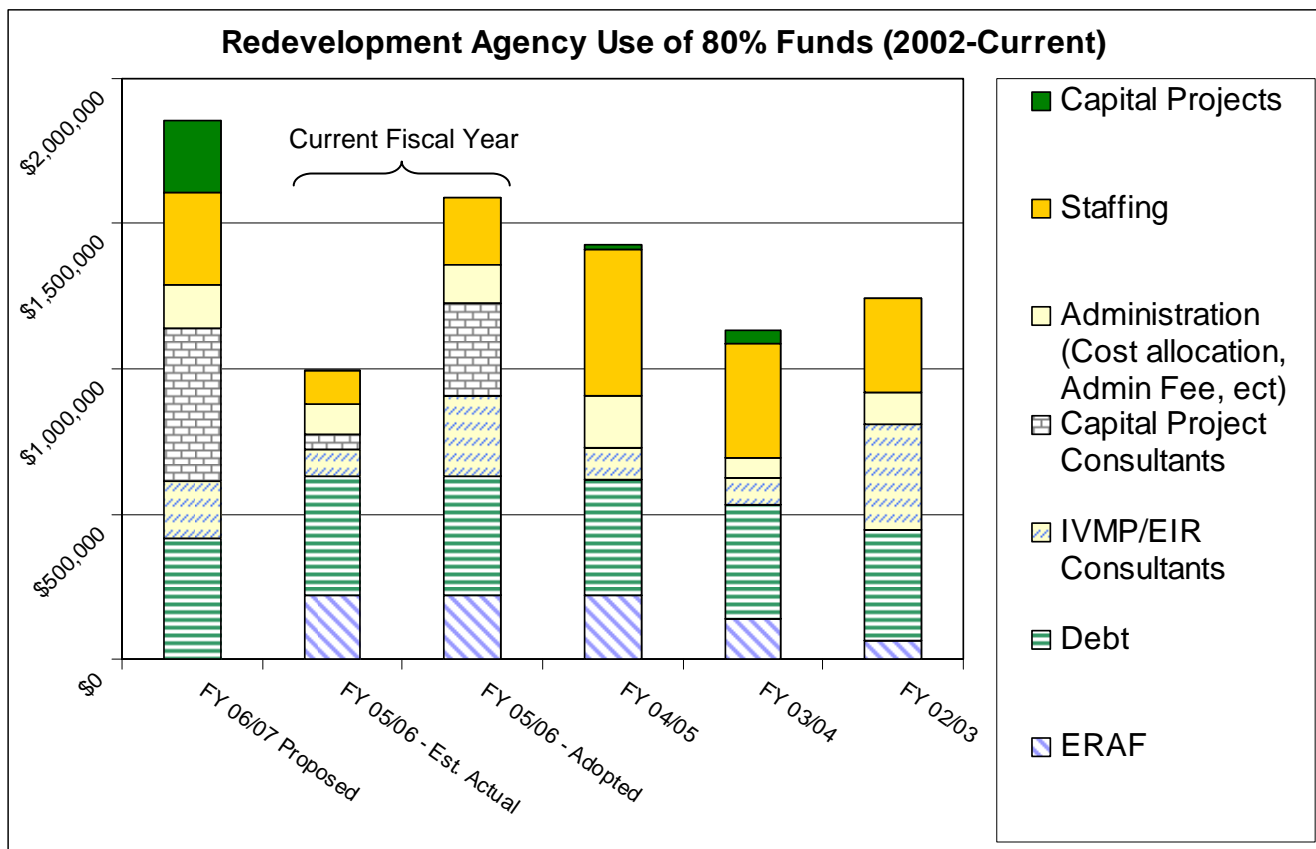
The highest priority work initiatives, which are identified in the Agency’s budget for the coming fiscal year, are identified in the list below. Attachment B includes estimated costs associated with these and other work effort

Agency FY 06/07 Highest Priority Work Initiatives

- Downtown Private Projects-Development Agreements
- Downtown Parking Lot Acquisition
- Pardall Road Design/Engineering
- Anisq’ Oyo’ Park Redesign Project
- El Colegio Road Implementation
- Community Center/Estero Park
- RDA/PAC Agency management
- Oversee IVMP adoption contract

As compared to the previous fiscal year, the proposed FY 06/07 budget increases funding for: capital project implementation, staffing through the addition of a part-time RDA internship, legal services, and the addition of a Departmental Analyst to assist with Agency administrative duties.

The Agency has prepared a draft update to the 5-Year Implementation Plan, which is scheduled for Board consideration in May 2006. The projects in the proposed FY 06/07 Agency Budget are consistent with the draft 5-Year Implementation Plan. Certain minor discrepancies exist between this proposed budget and the 5-Year Implementation Plan. These discrepancies are due to the timing of project implementation and bond issuance, and contractual carryover from the previous fiscal year. The proposed budget sets expenditure levels for the upcoming year taking these factors into consideration.



Low and Moderate Income Housing Fund FY 06/07 Highest Priority Work Initiatives

CRL requires the Agency allocate no less than 20 percent of the tax increment revenue derived from the redevelopment project area to be used to increase, improve, and preserve the supply of housing for very low-, low- and moderate-income households.

During the next fiscal year the Redevelopment Agency intends to ensure the production of affordable housing through the implementation of the following projects and programs in the Isla Vista Project Area. Those projects and programs are intended to meet the State-required replacement and inclusionary requirements for Redevelopment Agencies.

Project Proposals: the Agency will institute an “Over the Counter” policy for accepting project proposals. These proposals for Agency affordable housing set-aside funds will be accepted at any time during the year. This new policy will allow the Agency to accept and review project applications outside of the current annual Notice of Funds Available process. This procedural change is intended to eliminate any funding delays for an applicant who previously may have been forced to wait to apply for set-aside funds.

Acquire Property from Willing Sellers: The Agency will seek to acquire property from willing sellers in the Project Area to facilitate the development of affordable housing units. While the Agency does not intend to act as the project developer, by controlling the land the Agency can ensure projects are implemented in a timely manner while meeting community design standards.

Rehabilitation Projects: the Agency will prioritize the rehabilitation, or acquisition with rehabilitation, of existing properties in the Project Area. By focusing on properties with significant rehabilitation needs, the Agency can eliminate blight, provide income restricted housing, and improve the overall quality of development.

Other Projects and Programs: the Agency will participate in, and implement, other projects and programs as new opportunities arise to improve the supply and quality of affordable housing within the Project Area.

Mandates and Service Levels:

CRL requires the Redevelopment Agency prepare an annual budget. This proposed budget complies with CRL budgeting requirements.

Fiscal and Facilities Impacts:

The proposed budget can be entirely funded by the Agency’s existing tax-increment revenue and reserves. The proposed budget will have no impact on the County General Fund. If approved by the Board, the budget authorizes the Agency to expend \$1,852,737 out of a total available revenue source of \$2,003,107 (Attachment B). Individual projects included in this budget will continue to be subject to Board review based on County/Agency purchasing and bidding requirements.

Special Instructions: None

Concurrence:

Auditor Controller, County Counsel

Attachments:

- A. Redevelopment Project Status table
- B. Proposed Redevelopment Agency Fiscal Year 2006-07 Sources/Uses of Funds

ATTACHMENT A
Redevelopment Agency Project Status

General Redevelopment Agency Fund		
Project	Goal	Status in April 2006
Downtown Private Projects-Development Agreements	Develop new high quality mixed use development in downtown Isla Vista	<ul style="list-style-type: none"> ○ RFP process to select consultant complete ○ Contract with KMA complete, KMA technical assistance on private projects ○ Currently in negotiations with private developer regarding catalyst project
Downtown Parking Lot Acquisition	Acquire and develop a site for a downtown surface parking lot	<ul style="list-style-type: none"> ○ BOS authorization to negotiate ○ Contact made with owners ○ Meeting set to establish appraisal parameters
Pardall Road Design / Engineering	Improve Pardall Road streetscape with improved sidewalks and landscaping	<ul style="list-style-type: none"> ○ RFP issued ○ Roma Design Group hired to initiate design ○ Project kickoff meeting held
Commence Anisq' Oyo' Park Redesign Project	Resolve existing deficiencies in Anisq' Oyo' Park	<ul style="list-style-type: none"> ○ BOS approved letter agreement, RDA \$50,000 authorized ○ \$55,000 from GVLT obtained ○ Roma Design Group hired to complete design ○ Project kickoff meeting held
El Colegio Road Implementation	Resolve level of service problems with El Colegio consistent with draft IVMP goals (Interface Policy 3, Dev Std 3.1, Action 3.2)	<ul style="list-style-type: none"> • RBF contract to verify UCSB cost estimates • Bengal Engineering value engineering contract. • County-prepared MOU currently reviewed by UCSB
Community Center/Estero Park	Improve recreation opportunities at Estero Park and develop a community center	<ul style="list-style-type: none"> ▪ RDA Contract with IVRPF for \$30,000 approved by the Board. ▪ IVRPD has formed the Com. Cntr Task Force. ▪ Project has been scaled back and to be developed in phases ▪ Partial funding for soccer fields and skate park obtained.
Agency and Project Area Committee management	Provide management services to Agency and PAC	<ul style="list-style-type: none"> • 7 PAC meetings held this FY • PAC support for RDA Plan Amendment • Projected salary savings
Update to 5-Year Implementation Plan	Complete State-required Plan	<ul style="list-style-type: none"> • BOS Hearing on 1/16 for initial Board input • Draft Implementation Plan circulated for public comment

Project	Goal	Status in April 2006
Hire RDA staff person	Increase RDA staffing capacity	<ul style="list-style-type: none"> • New job class created and approved by BOS in November • New staff person hired
Oversee IVMP adoption contract and existing EIR contracts	Resolve existing Isla Vista land use regulatory impediments	<ul style="list-style-type: none"> • RFP process complete, consultant selected • BOS approved contract on 9/15 • Project kickoff meeting held in December • Active project work begins with release of DEIR
Parking Program appeal w/Coastal Commission	Implement a parking program to resolve existing parking issues in Isla Vista	<ul style="list-style-type: none"> • Revised project description • Submitted to CCC staff for review
Downtown Land Acquisitions & Rehab	Pending Board authorization of the proposed Plan amendment, the Agency would seek to acquire for-sale properties in need of rehabilitation	<ul style="list-style-type: none"> • Contact made with owners of critical sites • Site visits conducted
RDA Plan Amendment	Amend RDA Plan to allow Agency to acquire property for redevelopment	<ul style="list-style-type: none"> • PAC review and approval of RDA Plan amendment • Scope from KMA established to lead Plan amendment
Establish program for businesses to lease ROW for outdoor dining	Encourage orderly outdoor dining in downtown IV. Obtain revenue stream for ROW maintenance.	<ul style="list-style-type: none"> • Initial criteria defined with Public Works • Field visit to test criteria complete • Review of City of SB ordinance complete • Legal mechanism for program established
Establish in lieu parking fee program	Establish program whereby developers can 'fee out' of on-site parking requirements	<ul style="list-style-type: none"> • Initial research completed
Low and Moderate Income Housing Fund		
Institute an "Over the Counter" policy for accepting project proposals.	Accepting and reviewing project applications outside of the current annual Notice of Funds Available process will eliminate any delays	<ul style="list-style-type: none"> • Notice of change posted in newspapers • PAC/developer notification of process change
Acquire Property from Willing Sellers:	Acquire property from willing sellers to facilitate the development of affordable housing units	<ul style="list-style-type: none"> • Contact letters mailed to three property owners • Appraisal requested for one site

Project	Goal	Status in April 2006
Rehabilitation Projects	Prioritize the rehabilitation, or acquisition with rehabilitation, of properties with significant rehabilitation needs, to eliminate blight, provide income restricted housing, and improve the overall quality of development.	<ul style="list-style-type: none"> • Project will be initiated in FY 06/07
Other Projects and Programs	Participate in, and implement, other projects and programs as new opportunities arise to improve the supply and quality of affordable housing within the Project Area.	<ul style="list-style-type: none"> • Projects will be initiated in FY 06/07

ATTACHMENT B

Proposed IV Redevelopment Agency General Fund FY 06/07 Budget

	General Fund	Housing Fund	Agency Total
Sources			
Budgeted Fund Balance As Of June 30, 2006	\$ 450,000	\$ 2,664,091	\$3,114,091
Projected carry-over	185,107	-	-
Tax Increment, net of pass-throughs	1,355,000	73,480	1,428,480
Recycled Housing Funds	-	17,441	17,441
Interest Income	13,000	30,000	43,000
	<u>\$2,003,107</u>	<u>\$ 2,785,012</u>	<u>\$4,603,012</u>
Uses			
Debt Service	\$ 413,310	\$ -	\$ 413,310
General and Administrative			
Supplies and Other Charges	\$ 91,089	\$ 504	\$ 91,593
Property Tax Collection Fee	57,000	-	57,000
RDA Staffing	274,338	72,274	346,612
County Counsel	25,000	-	25,000
Planning IVMP/EIR Adoption Assistance	2,000	-	2,000
General Services - Acquisition Services	10,000	-	10,000
Interns	10,000	-	10,000
	<u>\$ 469,427</u>	<u>\$ 72,778</u>	<u>\$ 542,205</u>
Total General and Administrative			
Professional and Special Services			
Pardall Road Phase I	\$ 135,000	\$ -	\$ 135,000
Pardall Road / AO Park Design/engineering	300,000	-	300,000
Parking Lot Design/engineering	50,000	-	50,000
Land appraisals and assessment	25,000	-	25,000
IV Business Association partnership program	5,000	-	5,000
RDA Consultant – Development Agreements	30,000	-	30,000
RDA Consultant – Plan Amendment	30,000	-	30,000
Housing Loans and Expenditures	-	1,500,000	1,500,000
IVMP adoption contract	150,000	-	150,000
	<u>\$725,000</u>	<u>\$1,500,000</u>	<u>\$2,225,000</u>
Subtotal			
Infrastructure			
Alternative transportation improvements	\$ 35,000	\$ -	\$ 35,000
Sidewalk construction matching funds	100,000	-	100,000
Community Center	100,000	-	100,000
Minor projects	10,000	-	10,000
	<u>\$ 245,000</u>	<u>\$ -</u>	<u>\$ 245,000</u>
Subtotal			
Total Projects and Programs	\$ 970,000	\$ 1,500,000	\$2,470,000
	<u>\$1,852,737</u>	<u>\$ 1,572,778</u>	<u>\$3,425,515</u>
Total Uses			
Projected Fund Balance as of June 30, 2007	\$ 150,370	\$ 1,212,234	\$1,177,497
	<u>\$ 150,370</u>	<u>\$ 1,212,234</u>	<u>\$1,177,497</u>

