



# Adoption of the Redevelopment Agency Continuation Ordinance



SANTA BARBARA COUNTY  
REDEVELOPMENT AGENCY

October 4, 2011

# 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 which the court denied

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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Today's recommendations 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

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

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

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

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

August 15: Stay  
Granted

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

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

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

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

October 1: RDA  
Dissolves Unless...

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

(\*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)

# Continuation Ordinance

- Must be adopted prior to November 1 - requires second reading to become effective
- Obligates County to enter ABX1 27's AVRP and make the community remittance payments
- Section 34193(b) currently stayed but Staff recommends introducing the Ordinance for its first reading today and scheduling its second reading (adoption) for October 11<sup>th</sup>

# Budget Revision Request and Reimbursement Agreement

- Continuation Payments required by ABX1 27 must be made to the State by the County
- Budget revision needed to allow transfer of funds from the RDA to the County.
- Reimbursement agreement must be approved by both bodies to provide for repayment of those funds by the RDA to the County
- Requires a 4/5 vote

# Recommendations

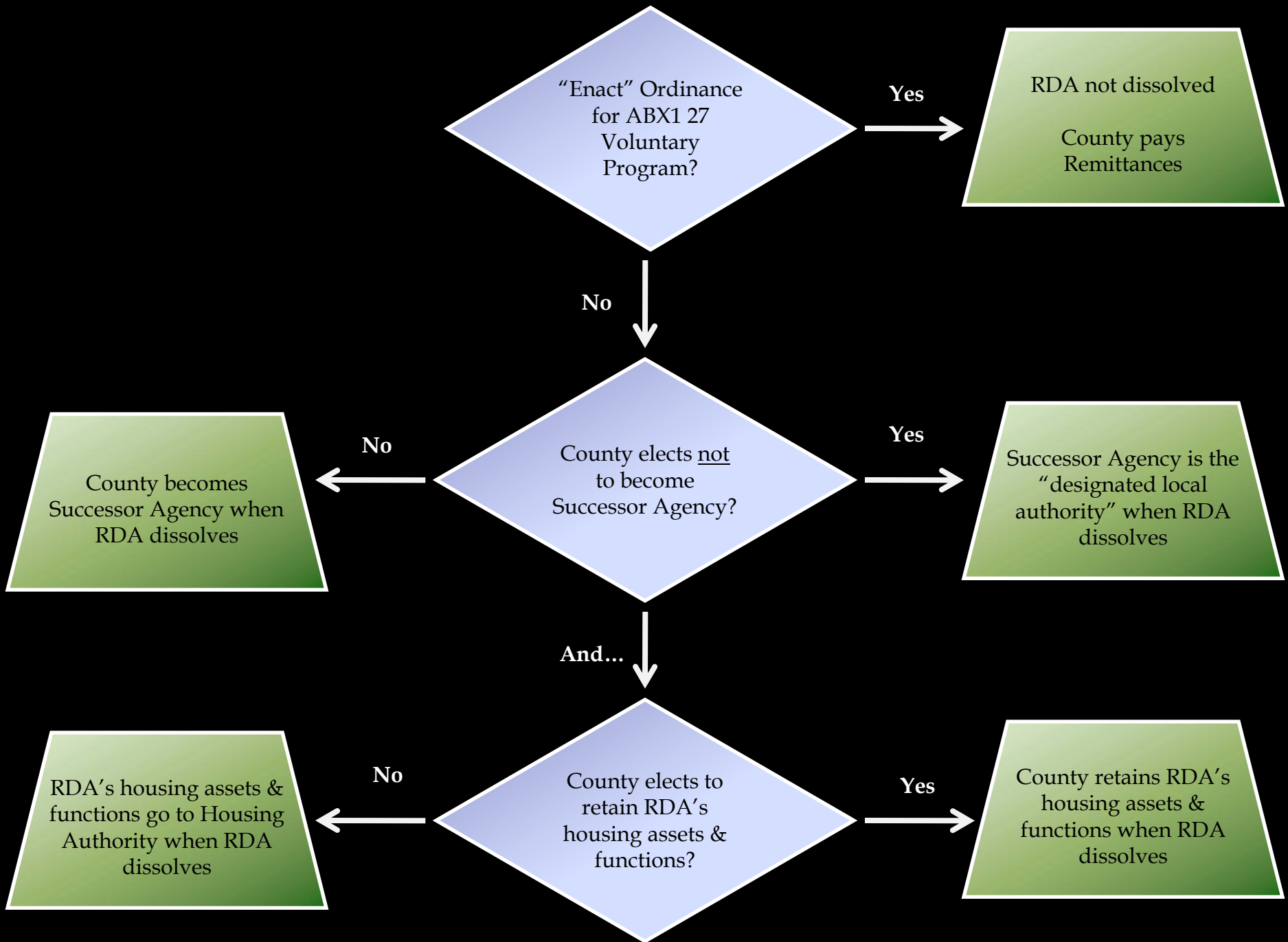
That the Santa Barbara County Board of Supervisors takes the following actions :

- Introduce the Continuation Ordinance and waive full reading.
- Set hearing for the second reading of the Continuation Ordinance for October 11, 2011.
- Approve the attached budget revision. (4/5 Vote Required)
- Approve and authorize the Chair to enter into a conditional reimbursement agreement between the County and the Redevelopment Agency.
- Determine, that the above actions do not constitute a “project” pursuant to CEQA Guideline Sections 15378(b)(4) and 15378(b)(5).

That the RDA Board of Directors takes the following actions:

- Approve the attached budget revision. (4/5 Vote Required)
- Approve and authorize the Chair to enter into a conditional reimbursement agreement between the County and the Redevelopment Agency.
- Determine, that the above actions do not constitute a “project” pursuant to CEQA Guideline Sections 15378(b)(4) and 15378(b)(5).





# Remittance Payments

- 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.