

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: May 30, 2006
Department Name: County Executive Office
Department No.: 990
Agenda Date: June 12, 2006
Placement: Administrative
Estimate Time:
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 adopt the attached resolution (Attachment A):

1. Approving the Redevelopment Agency FY 06/07 budget.
2. Finding the proposed planning and administrative expenses identified in the Low/Moderate Income Housing Fund are necessary for the production, improvement, or preservation of low- and moderate-income housing.

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. On May 16, 2006 staff presented this budget (Attachment B) to the Board for review and comment.

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 & PAC 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.

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.

On May 16, 2006 the Agency also adopted an updated 5-Year Implementation Plan. The projects in the proposed FY 06/07 Agency Budget are consistent with the 5-Year Implementation Plan.

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. These projects and programs are intended to meet the State-required replacement and inclusionary requirements for Redevelopment Agencies. In order to implement and administrate these projects and programs, this budget includes \$72,778 in funds for the Housing and Community Development Department. This amount represents less than 3% of the total available housing set-aside funds.

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 & Programs: the Agency will participate in, and implement, other projects & programs as opportunities arise to improve the supply and quality of affordable housing in 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 Budget Resolution
- B. Proposed Redevelopment Agency Fiscal Year 2006-07 Sources/Uses of Funds

ATTACHMENT A

**BOARD OF DIRECTORS
OF THE COUNTY OF SANTA BARBARA
REDEVELOPMENT AGENCY**

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE COUNTY OF SANTA BARBARA ADOPTING THE BUDGET OF THE REDEVELOPMENT AGENCY FOR THE FISCAL YEAR 2006-07 AND DETERMINING THAT THE PLANNING AND ADMINISTRATION EXPENSES TO BE FUNDED BY THE LOW AND MODERATE INCOME HOUSING FUND ARE NECESSARY FOR THE PRODUCTION, IMPROVEMENT, AND/OR PRESERVATION OF AFFORDABLE HOUSING FOR LOW AND MODERATE INCOME HOUSEHOLDS

Resolution No. _____

WHEREAS, on November 27, 1990, the Board of Supervisors of the County of Santa Barbara adopted the redevelopment plan for the Isla Vista Redevelopment Project Area; and

WHEREAS the proposed budget for the Redevelopment Agency of the County of Santa Barbara for the fiscal year 2006-07 was prepared and submitted to the Redevelopment Agency Board on June 12, 2006; and

WHEREAS, pursuant to Section 33334.2(a) of the California Community Redevelopment Law not less than 20% of all taxes which are allocated to the Redevelopment Agency of the County of Santa Barbara (“Agency”) shall be set aside by the Agency in a Low and Moderate Income Housing fund and used by the Agency for the purpose of increasing, improving and preserving the community’s supply of low and moderate income housing available at affordable housing costs to people and families of low and moderate income; and

WHEREAS, pursuant to Section 33334.3(d) of the California Community Redevelopment Law it is the intent of the California State Legislature that the amount of money spent for planning and general administration from the Low and Moderate Income Housing fund not be disproportionate to the amount actually spent for the cost of production.

Now therefore be it resolved, found and determined that:

1. It is necessary to allocate \$72,778 of the Low and Moderate Income Housing Fund budget for planning and administrative expenses necessary for the production, improvement, and/or preservation of low and moderate income housing during the 2006-07 fiscal year.
2. The budget for the Redevelopment Agency of the County of Santa Barbara for the fiscal year beginning on July 1, 2006 and ending on June 30, 2007 as submitted to the Redevelopment Agency by the Executive Director on June 12, 2006, is hereby approved and adopted as the budget for the Redevelopment Agency for the fiscal year 2006-07.
3. A copy of the budget hereby adopted, certified by the Secretary of the Redevelopment Agency, shall be filed with the Executive Director or designated representative. Copies of the certified budget shall be made available for the use of departments, offices and agencies of the Redevelopment Agency.

PASSED AND ADOPTED by the Board of Directors of the County of Santa Barbara Redevelopment Agency, this ____ day of _____, 2006, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JONI GRAY
CHAIR, BOARD OF DIRECTORS
COUNTY OF SANTA BARBARA
REDEVELOPMENT AGENCY

ATTEST:
MICHAEL F. BROWN
SECRETARY OF
THE AGENCY

BY _____
DEPUTY CLERK

APPROVED AS TO FORM:
STEPHEN SHANE STARK,
AGENCY COUNSEL

APPROVED AS TO FORM:
BOB GEIS,
AGENCY TREASURER

BY: _____
DEPUTY COUNTY COUNSEL

BY _____

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			
	<u>\$ 970,000</u>	<u>\$ 1,500,000</u>	<u>\$2,470,000</u>
Total Uses			
	<u>\$1,852,737</u>	<u>\$ 1,572,778</u>	<u>\$3,425,515</u>
Projected Fund Balance as of June 30, 2007			
	<u>\$ 150,370</u>	<u>\$ 1,212,234</u>	<u>\$1,177,497</u>