Impacts of Recent Legislation on the County Redevelopment Agency
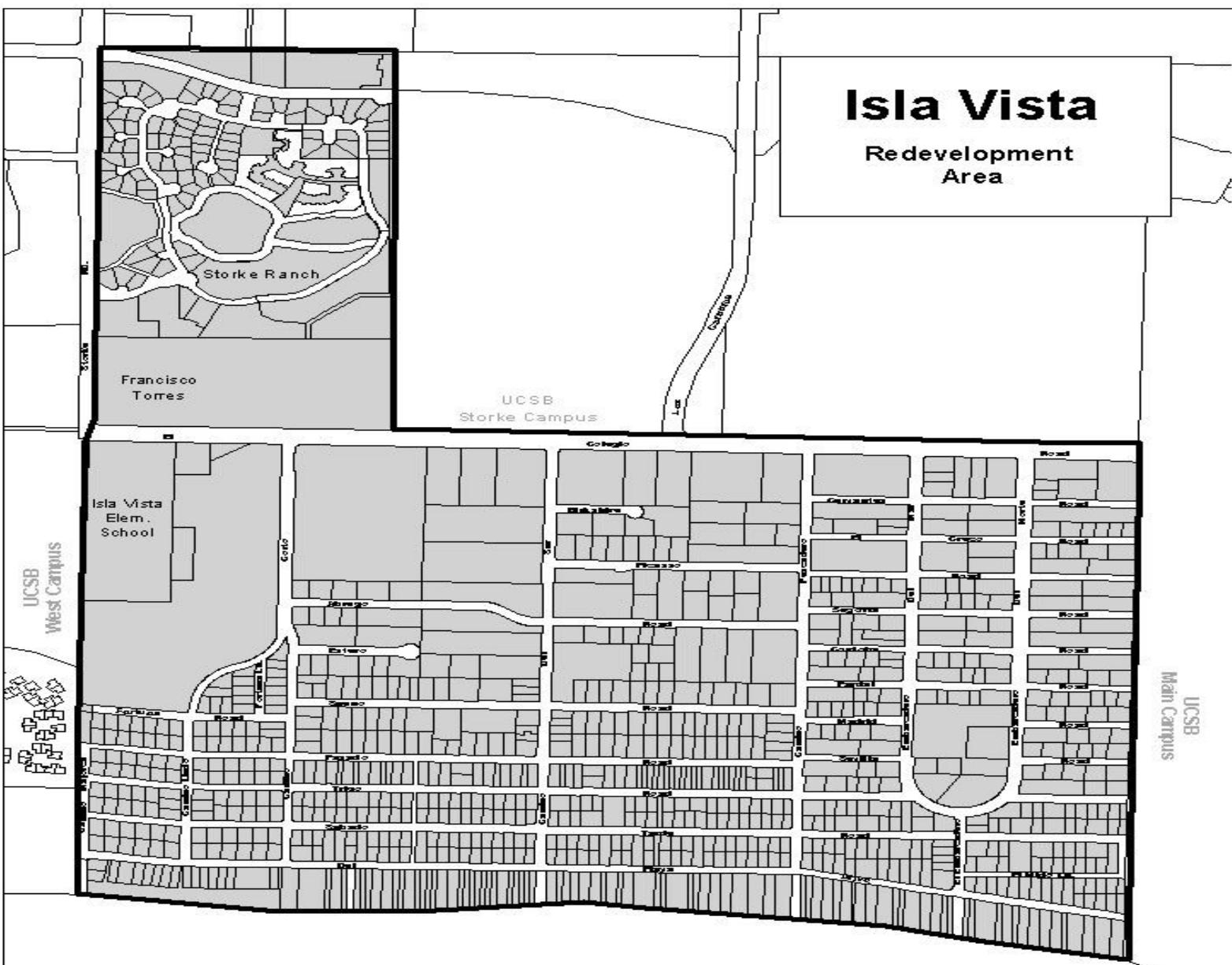
August 9, 2011

SANTA BARBARA COUNTY
REDEVELOPMENT AGENCY

Isla Vista

Redevelopment Area

Storke Ranch

Francisco Torres

UCSB Storke Campus

Isla Vista Elem. School

UCSB West Campus

UCSB Main Campus

Colegio

Picasso

Estero

Sueno

Pasado

Trigo

Sabado

Del

Playa

Road

Road

Road

Road

Road

Road

Road

Road

Road

Road

Road

Santa Barbara Channel

Legend

— Isla Vista Redevelopment Boundary

— Assessor Parcel Lines

▦ Isla Vista Redevelopment Area
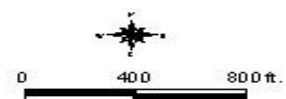
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New Legislation

- 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.

- The California Redevelopment Association filed a challenge requesting stay by August 15th

ABX1 26: The Dissolution Bill

- RDA to be dissolved as of October 1, 2011

- Since June 29, RDA could not enter contracts, make grants or loans, dispose of assets, etc., but could make required payments due

- After August 28th, generally can only make payments shown on a published payment schedule: EOPS, or later, ROPS

- All RDA property, assets and obligations would be transferred to a "Successor Agency" and distributed to local taxing entities

ABX1 27: Alternative Voluntary Redevelopment Program

- Allows County to continue the RDA if certain payments to the State are made

- BOS must enact a "Continuation Ordinance" on or before November 1st 2011

- All existing RDA fund balances and assets would be retained

Key Dates for Decisions on ABX1 26 & ABX1 27

August 9th Hearing

August 15: Possible Stay

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 6th Hearing

October 1: RDA Dissolves Unless…

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 4th Hearing

"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)

Key Dates for Decisions on ABX1 26 & ABX1 27

August 9th Hearing

August 15:
Possible Stay

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

RDA Adopts
Enforceable Obligations
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§34169(g)(1)

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Key Dates for Decisions on ABX1 26 & ABX1 27

September 6th Hearing

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

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

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

Voting Requirements

- August 9th items: 3/5 vote

- Future decision about entering ABX1 27, including current year commitment to remittance payment: 4/5 vote

Recommendations

That the <u>Board of Supervisors</u>:

1. Take no action, so as to allow the County to automatically become the Successor Agency to the RDA in the event the Board allows the RDA to dissolve pursuant to ABX1 26.

2. <u>Do not appeal</u> the amount of the remittance to the State Director of Finance by August 15, 2011.

3. Direct staff to return on September 6th with recommendations on additional actions.

That the <u>Redevelopment Agency Board of Directors</u>:

1. Adopt a Resolution adopting the Enforceable Obligation Payment Schedule pursuant to Health and Safety Code Section 34169(g)(1).

Actions to be Taken on August 9th

	Deadline
• County to automatically become the Successor Agency to the RDA?	September 1
• Adopt Enforceable Obligations Payment Schedule	August 28
• Appeal Remittance Calculation?	August 15

Successor Agency

- Only established if the BOS chooses to dissolve the RDA under ABX1 26

- Is required to dispose of the former RDA's assets in a manner aimed at maximizing value.

- Supervised by an "Oversight Board"

- Staff recommends the BOS take no action so as to allow the County to automatically become the Successor Agency to the RDA

Enforceable Obligation Payment Schedule (EOPS)

- RDA must disclose all existing contractual obligations

- All future RDA payments would be cross-checked against the adopted Payment Schedule

- Adoption of the EOPS is a mandatory requirement of ABX1 26

Remittance Payment Amount Under ABX1 27

- Amount calculated from a predetermined 9-step formula – One time payment is $1,952,832

- Staff recommends no appeal

§34194. Deposit of remittances into Special District Allocation Fund; Determination of remittances; Payment

(L) (i) After receiving the notification from the Director of Finance pursuant to subparagraph (J), a city or county may appeal the amount of remittance to the director on or before August 15, 2011, on the basis that the information in the Controller's report was in error or that the percentage of tax increment necessary to pay for tax allocation bonds and interest payments has increased by 10 percent or more over the percentage calculated pursuant to the Controller's redevelopment agency 2008-09 annual report. Any appeal shall include documentation that clearly and convincingly establishes the basis of the appeal and the amount of the claimed discrepancy.

Deferrable Actions ABX1 26

Deadline

- Provide Preliminary Draft of Initial   **September 30**
  Recognized Obligation Payment
  Schedule to Successor Agency

- Retain Housing Assets & Functions?   **October 1**

- Recognized Obligations Payment   **November 1**
  Schedule

Actions Associated with ABX1 27

October 1: RDA Dissolves, Unless Resolution and/or Ordinance

Deadline

- Nonbinding Resolution of Intent?   **September 30**

- "Enact" Ordinance for ABX1 27   **November 1***
  Voluntary Program?

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