



# Report on California Redevelopment Agency Litigation



SANTA BARBARA COUNTY  
REDEVELOPMENT AGENCY

January 10, 2012

# Redevelopment Restructuring Acts

June 28, 2011- Two new bills enacted which affected all California Redevelopment Agencies (“RDAs”):

- ABX1 26 - Dissolution of RDAs and disbursement of their assets
- ABX1 27 - Continuation of RDAs if payments made to state

July 18<sup>th</sup>, 2011- Litigation filed challenging both ABX1 26 and ABX1 27 with California Supreme Court

# Litigation Update

## December 29, 2011- California Supreme Court Decision:

- Upheld almost all of ABX1 26, the “dissolution” measure
- Invalidated all of ABX1 27, the “continuation” measure
- ABX1 26 deadlines revised to take effect four months later:
  - RDA dissolves February 1, 2012
  - County’s deadline to elect not to become “Successor Agency” extended to January 13, 2012

# Successor Agency

- The Successor Agency is required to expeditiously wind down the former RDA:
  - Dispose of RDA assets
  - Remit most unencumbered RDA fund balances and proceeds to County Auditor-Controller for distribution to local taxing entities
  - Make payments and perform other obligations

# The Oversight Board

- The Oversight Board will consist of seven members elected by several entities including the Board of Supervisors
- Generally intended to supervise the activities of the Successor Agency
- Ensure the RDA's assets are distributed to the taxing entities

# Successor Housing Agency

- Provides for transfer of housing functions and assets to County upon RDA dissolution
- Board previously chose to retain RDA housing assets and functions on September 6, 2011
- If Board now chooses not to retain the RDA housing assets and functions, they would be transferred to the County Housing Authority

# Next Steps

- Formation of Oversight Board
- Potential for new legislation
- Potential for Special BOS Hearing prior to February 1, 2012

# Recommendations

That the Board of Supervisors:

1. Still take no action under Health & Safety Code Section 34173(d)(1). (Consistent with the Board's action on August 9, 2011, this would allow the County to automatically become the "Successor Agency" to the County Redevelopment Agency); and,
2. Pursuant to Health and Safety Code Section 34176(a), adopt a resolution through which the County of Santa Barbara retains the housing assets, functions and powers previously performed by the County Redevelopment Agency (Attachment A).



# Questions?

This Concludes my presentation