



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

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

**Department Name:** County Executive Office  
**Department No.:** 990  
**For Agenda Of:** Sept. 9, 2008  
Sept. 16, 2008  
**Placement:** Admin (9/9)  
Departmental (9/16)  
**Estimated Tme:** 15 min on Sept. 16  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Michael Brown, Executive Director, Redevelopment Agency  
Director(s)  
Contact Info: John Baker, Assistant County Executive Officer  
Jamie Goldstein, Deputy Director, Redevelopment Agency (x 8050)  
**SUBJECT:** Amending the Isla Vista Redevelopment Plan to extend the Plan's effectiveness by one year and to delete the time limit to incur debt

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** N/A

As to form: No

**Recommended Actions:**

That on September 16 the Board of Supervisors:

1. Hold the first hearing to adopt an Ordinance amending Ordinance Numbers 3894 and 4382 and Approving and Adopting a Third Amendment to the Redevelopment Plan for the Isla Vista Redevelopment Project Area to Delete the Existing Debt Incurrence Time Limit and Amend Certain Other Time Limits. (Attachment 1)
2. Approve the Notice of Exemption for the Ordinance. (Attachment 2)

**Summary Text:**

This item is on the agenda to amend the Isla Vista Redevelopment Plan. The amendments will extend certain Redevelopment Plan limits by one year, including, Plan effectiveness, debt repayment limits, and the time limits to receive property tax. In addition, the amendment will delete the debt incurrence time limit.

In 2004, the Redevelopment Agency was required to pay \$130,847 to the State of California's Education Revenue Augmentation Fund (ERAF) to help balance the State budget. Senate Bill 1045, which required the ERAF contribution, also allowed redevelopment agencies to amend redevelopment plan time limits

**Auditor-Controller Concurrence**

As to form: Yes

as compensation to off-set the impact of the ERAF contributions. The time limits for Redevelopment Plan effectiveness and repayment indebtedness for the Isla Vista Redevelopment Project Area are:

	<b>Current Limits</b>	<b>Extended Limits Following SB1045 Ordinance Adoption</b>
<b>Time Limit on Redevelopment Plan Effectiveness</b>	2030	2031
<b>Time Limit on Repayment of Debt and Receipt of Tax Increment</b>	2040	2041

Not adopting the SB 1045 ordinances will maintain the Agency's time limits, and will result in the Agency terminating activity one year earlier.

In 2001, the State Legislature passed SB 211, which permits the Board of Supervisors to amend the Isla Vista Redevelopment Plan to delete the time limit for the incurrence of debt. Extending the debt limit will trigger legally required pass through payments to other local taxing entities. Those payments had been made prior to the current fiscal year. By adopting the SB 211 ordinance, those payments will once again be made to local taxing entities using FY 07/08 as the new base year.

In addition, by adopting SB 211 and removing the debt incurrence limit the Agency will be able to better plan long-term capital improvement projects and time future debt issuances.

Not adopting the SB 211 ordinances will maintain the Agency's debt incurrence limit at 2010, which will limit the Agency's ability to effectively manage long term debt, and will leave the Agency's current pass through obligations unchanged.

**Fiscal and Facilities Impacts:**

NA

**Fiscal Analysis:**

Extension of the proposed time limits would allow the Redevelopment Agency to conduct activities and collect tax increment for one additional year. It would also allow an additional year amortization period for any bonds the Agency chose to issue in the future.

The SB 211 Plan amendment, which would delete the Agency's debt incurrence limits, would trigger the payment of statutory pass-through payments to other local taxing entities. Those payments are required by State Law and are intended to help offset fiscal impacts of redevelopment efforts.

**Special Instructions:**

Notice of the public hearing has been mailed to the governing body of each affected taxing entity at least 30 days prior to the public hearing by Redevelopment Agency staff.

Notice to be published in a newspaper of general circulation in the community not less than 10 days prior to the date of the public hearing.

**Attachments:**

Attachment 1: Ordinance Amending the Isla Vista Redevelopment Plan

Attachment 2: Notice of Exemption

**Authored by:**

Goldstein