

Report to the Board

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Santa Barbara County Redevelopment Agency
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Table of Contents

Introduction	I
Reasons for the Amendment and a Description of Specific Projects and How These Projects Will Improve or Alleviate Blighting Conditions Found in the Project Area.....	A-1
A Description of the Physical and Economic Conditions Existing in the Project Area	B-1
Five-Year Implementation Plan	C-1
Why the Elimination of Blight and Redevelopment Cannot Be Accomplished by Private Enterprise Acting Alone or by the Board's Use of Financing Alternatives Other Than Tax Increment	D-1
The Method of Financing	E-1
The Relocation Plan.....	F-1
Analysis of the Preliminary Plan	G-1
Report and Recommendation of the Planning Commission.....	H-1
Report of the Project Area Committee.....	I-1
General Plan Conformance.....	J-1
Environmental Documentation.....	K-1
Report of the County Fiscal Officer.....	L-1
Neighborhood Impact Report	M-1
A Summary of the Agency's Consultation with Affected Taxing Agencies.	N-1

EXHIBITS

Exhibit 1 – Isla Vista Redevelopment Project Area Map	
Exhibit 2 – Proposed 2000 Amendment Text	
Exhibit 3 – Photo Survey/Samples of Existing Conditions	
Exhibit 4 – Report and Recommendation of the Planning Commission on the 2000 Amendment	
Exhibit 5 – Mitigated Negative Declaration on the 2000 Amendment	

Introduction

On November 27 1990, the Santa Barbara County Board of Supervisors (“Board”) approved Ordinance No. 3894 that adopted the Redevelopment Plan (“Plan”) for the Isla Vista Redevelopment Project (“Project”) and Project Area (“Project Area”). The 423-acre Project Area is located in unincorporated County territory adjacent to the University of California Santa Barbara campus. The Project Area is generally bounded by Camino Majorca and Storke Road to the west, El Colegio Road and the Santa Barbara Airport to the North, and the University of California campus to the south. As of 1990, approximately 76% of the Project Area consisted of residential uses, while commercial and public uses comprised 24% of the Project Area. Exhibit 1 presents a map of the boundaries of the Project Area.

Section 400 of the Plan delineates various redevelopment goals for the Project Area. These goals include: 1) to increase open space and protect environmentally sensitive areas, 2) to enhance the livability of the residential areas throughout the Project Area and the community as a whole, and 3) to remedy, remove, and prevent physical blight and economic obsolescence in the Project Area through the implementation of the Plan. To this end, the Plan permits the Santa Barbara County Redevelopment Agency (“Agency”) to acquire real property by any means authorized by law, including eminent domain, for parking, recreational and open space uses (The Agency cannot use eminent domain for any other purpose).

Although it has not yet been used by the Agency, the ability to acquire property through eminent domain could be an effective tool to facilitate redevelopment of the Project Area. Indeed, one of the key reasons for establishing the Project Area was to increase the amount of land areas for parking, recreational and open space uses in this intensely developed area. While the Agency does not have specific plans to use eminent domain to acquire property at this time, staff recommends that preserving this power may be necessary to complete future redevelopment projects involving land acquisition.

The Agency’s existing eminent domain authority is restricted to a 10-year time limit, and is set to expire on November 27, 2000. Under the California Community Redevelopment Law (“Law”), the Plan’s eminent domain time limit may be extended by up to 12 years if the Agency undertakes a plan amendment effort prescribed by Law. As the Agency envisions possible land acquisition activities for future redevelopment projects, the Agency is proposing to amend the Plan to extend the eminent domain time limit by 12 years, or to November 27, 2012 (“Amendment”).

This document is the Agency's Report to the Board ("Report") on the proposed Amendment, and has been prepared pursuant to Section 33457.1 and 33352 of the Law. The purpose of this Report is to provide the information, documentation, and evidence to support the adoption of the Amendment. This information, documentation, and evidence are provided to assist the Board in its consideration of the proposed Amendment, and in making the various determinations in connection with its adoption.

With respect to the Amendment, this Report supplements the documentation and evidence contained in the 1990 Report to the Board ("1990 Report"), prepared in connection with the original Plan; the 1990 Report is incorporated herein by reference.

Contents of this Report

The contents of this Report are presented in 14 sections, which generally correspond to the subdivisions presented in Section 33352 of the Law. The sections are as follows:

SECTION A	Reasons for the Amendment and a Description of Specific Projects Proposed and How These Projects Will Improve or Alleviate Blighting Conditions Found in the Project Area
SECTION B	A Description of the Physical and Economic Conditions Existing in the Project Area
SECTION C	Five-Year Implementation Plan
SECTION D	Why the Elimination of Blight and Redevelopment Cannot be Accomplished by Private Enterprise Acting Alone or by the Board's Use of Financing Alternatives Other Than Tax Increment
SECTION E	The Method of Financing
SECTION F	The Relocation Plan
SECTION G	Analysis of the Preliminary Plan
SECTION H	Report and Recommendation of the Planning Commission
SECTION I	Report of the Project Area Committee
SECTION J	General Plan Conformance
SECTION K	Environmental Documentation

- SECTION L** Report of the County Fiscal Officer
- SECTION M** Neighborhood Impact Report
- SECTION N** A Summary of Agency Consultation with Affected Taxing Agencies

Reasons for the Amendment and a Description of Specific Projects Proposed and How These Projects Will Improve or Alleviate Blighting Conditions Found in the Project Area

The Plan establishes various time and financial limitations involving the use of redevelopment tools within the 423-acre Project Area. One of these time limits, involving the use of eminent domain to acquire any real property in the Project Area, is scheduled to expire on November 27, 2000. While the Agency would be able to complete projects through 2030 and collect tax increment revenue through November 2040, the Agency could not commence any eminent domain proceedings in the Project Area after November of this year without extending the time limit.

The ability to acquire property is one of the fundamental tools in the Plan. In Isla Vista, acquisition enables the Agency to consolidate lots to provide improved off street parking for the community and increase the availability of open space and recreational uses in the Project Area. The primary tool to effectively expand the supply of these important uses in Isla Vista is through property acquisition. These issues (especially parking) are among the most serious factors confronting the Agency as it implements redevelopment programs in the Project Area, and were chief reasons for establishing the Project in 1990.

Over the past 10 years, eminent domain was never used by the Redevelopment Agency. However, the ability to use eminent domain is still critical to property acquisition negotiations. For example, without this authority, property acquisition efforts could stall if an owner held out for an excessively high price, given the property's highest and best use fair market value. In Isla Vista, eminent domain is particularly important because of the area's mixed ownership patterns and a high level of absentee owners that can be less interested in the character of the overall community.

Even though the Agency has completed some acquisitions to increase the amount of open space and recreational uses in the Project Area, further acquisition, perhaps by eminent domain, will be needed to alleviate persistent physical and land use blighting conditions. Today, the Project Area is still deficient in the amount of these essential uses, particularly parking. In part, this is due to the fact that the Project Area did not generate the amount of revenue initially anticipated, due to the real estate recession that caused assessed values and tax increment revenues to stagnate for much of the first decade of the

Project. As property values have increased recently, the financial resources necessary to implement redevelopment in the Project Area are only now starting to accrue to the Agency. However, with the expiration of the Agency's eminent domain authority, these resources will need to be pledged to other projects in the Project Area, and future efforts to expand parking, open space, and recreation uses could be seriously jeopardized.

Exhibit 2 is the proposed Amendment text that would extend the Plan's eminent domain time limit as described above.

The Agency does not intend to undertake projects outside the scope of the Plan, and as analyzed in the 1990 Report. A description of the proposed redevelopment projects is contained in the 1990 Report and incorporated herein by reference.

A Description of the Physical and Economic Conditions Existing in the Project Area

Section 33352(b) of the Law requires a description of the physical and economic conditions that cause the Project Area to be blighted. This information was provided in the documentation which was prepared and provided as evidence that the Project Area was deemed blighted at the time of adoption.

Sections A and B of the 1990 Report documented the following blighting conditions in the Project Area:

- Defective design and character of physical construction;
- Faulty interior arrangement and exterior spacing;
- Inadequate provisions for light, ventilation and open space;
- Age, obsolescence, deterioration, and dilapidation; and
- Inadequate public improvements.

Over the past 10 years, the Agency has successfully mitigated some of these blighting conditions through implementation of various redevelopment initiatives, including acquisition of parcels for open space. However, due to the downturn in the local real estate economy experienced in the 1990's, the Project Area did not generate the anticipated amount of tax increment revenue necessary to implement many redevelopment projects identified in the adopted 1990 Redevelopment Plan during the past 10 years. The table below compares the anticipated revenues to the actual receipts of the Agency. As shown below, the Agency was anticipated to receive nearly \$8.1 million between 1990 and 1999. However, the Agency only received approximately \$3.3 million, or 41% less than what was anticipated.

Table 1
 Anticipated vs. Actual Tax Increment Receipts
 Isla Vista Redevelopment Project

Year	Anticipated Revenues	Actual Revenues	Difference
1991-92	\$ 187,662	\$ 182,193	\$ (5,469)
1992-93	389,399	253,058	(136,341)
1993-94	606,266	366,409	(239,857)
1994-95	839,397	403,334	(436,063)
1995-96	1,090,014	412,165	(677,849)
1996-97	1,359,427	514,824	(844,603)
1997-98	1,649,046	464,216	(1,184,830)
1998-99	1,960,046	747,265	(1,212,781)
Total	\$ 8,081,257	\$ 3,343,464	\$ (4,737,793)

Sources: 1990 Report to the Board, Agency's Annual Reports

As a result of the lower level of tax increment revenues, the Agency was forced to defer costly infrastructure, rehabilitation, and acquisition projects over the past 10 years. While the resources are beginning to accrue to the Agency today, the Agency is facing another barrier to implementing redevelopment in the Project Area—the expiration of the authority to initiate eminent domain for acquisition projects. This authority will be essential for the Agency in the next several years, as it begins to more fully implement redevelopment programs with more resources. By extending the time frame to employ eminent domain, as a last resort, to acquire property, the Amendment would permit the Agency to more effectively remove persistent blighting conditions in the future.

In addition to the 1990 Report, blighting conditions in the Project Area have been further documented in the April 1996 Isla Vista Housing Strategy Report, and recent windshield surveys of the Project Area conducted by Agency staff and consultants. According to the Housing Strategy Report, overcrowding, defined as more than one person per room per household, is one of the most severe problems facing Project Area residents. The Housing Strategy Report indicated that more than 60% of the Project Area, located east of Camino Corto, between El Colegio and Del Playa, as having high incidents of overcrowded units. Some areas contain households 75% larger than the South Coast average (4.73 persons per unit versus 2.68 persons per unit). According to County staff, as many as 10 to 12 persons occupy a single unit, with students found residing in offices, dining rooms and garages.

Overcrowding in Isla Vista has only worsened since the Plan was adopted in 1990. According to the 1990 Census, approximately 14,116 people resided in the Project Area. Five years later, a County demographics survey estimated a total Project Area population of 16,600, or an increase of 18%, despite the relatively limited increase in the number of new units in the area. Today, County staff estimates the total population has increased to approximately 20,000 residents

while the University is in session. The Housing Strategy Report found that the Project Area is one of the most densely populated areas in the western United States.

Overcrowded conditions have an acute impact on parking, open space and recreational areas. First, they generate additional needs for parking beyond what the properties were designed to accommodate. In the Project Area, this is particularly problematic, because many properties were developed 25 to 35 years ago, prior to the initiation of modified onsite parking requirements and therefore must rely on on-street parking. Thus, the undersupply of parking and residential overcrowding creates significant demands for vehicle parking. Most properties, particularly those in the eastern portions of the Project Area, use any improved areas for parking, so landscaping and the overall residential character is degraded.

A second impact of overcrowding is the increased demand for open space and recreation areas. The Project Area falls well short of the County's standards for open space and recreational areas (4.7 acres/1,000 persons). According to Planning and Development Department staff, the Project Area contains approximately 70 acres of parks and open space. However, the minimum standards for the current population call for approximately 100 acres of such spaces. In addition, the densely developed nature of the Project Area elevates residents desire to escape to recreation and open spaces.

Exhibit 3 to the this Report presents photographs depicting several examples of the blighting conditions that persists in the Project Area, including evidence of overcrowded conditions, inadequate parking, deterioration and other factors.

These are among the conditions that can be addressed through the extension of eminent domain in the Project Area. The proposed Amendment would provide the Agency the ability to better facilitate lot acquisition to redevelop properties and increase the amount of off-street parking, open space and recreational areas for Project Area residents.

Pursuant to Section 33368 of the Law, the adoption of the ordinances adopting the Plan and subsequent amendments are final and conclusive, and it is thereafter conclusively presumed that the Project Area is a blighted area as defined by Sections 33031 and 33032 of the Law and that all prior proceedings have been duly and regularly taken.

Five-Year Implementation Plan

On July 2, 1996, the Agency adopted its current Five Year Implementation Plan for the Project ("Implementation Plan"). The Implementation Plan contains specific goals and objectives for the Project Area, the specific projects and expenditures proposed to be made during the five-year planning period, and an explanation of how these goals, objectives, and expenditures will eliminate blight within the Project Area. The Implementation Plan is not affected by this Amendment, and is incorporated herein by reference.

Why the Elimination of Blight and Redevelopment Cannot Be Accomplished by Private Enterprise Acting Alone or by the Board's Use of Financing Alternatives Other Than Tax Increment

Section 33352(d) of the Law requires an explanation of why the elimination of blight in the Project Area cannot be accomplished by private enterprise alone, or by the Board's use of financing alternatives other than tax increment financing. This information was previously provided in the 1990 Report and supporting documentation prepared and provided at the time of the adoption of the original Plan. The proposed Amendment will not make any changes which would affect the validity of the previously prepared documentation.

Section
F

The Method of Financing

Section 33352(e) of the Law requires inclusion of a proposed method of financing the Project. This documentation was provided in the 1990 Report, incorporated herein by reference. Because the Amendment will not alter the Project Area boundaries or affect the base year value of the Project Area, the Amendment will not change the method of financing the Project.

Section
F

The Relocation Plan

Concurrent with the adoption of the original Plan in 1990, the Agency adopted as its method of relocation the California Relocation Assistance and Real Property Acquisition Guidelines, as they existed or are subsequently amended. Also, as a public agency, the Agency is required to adhere to State Relocation Law to the extent relocation is necessary.

The Amendment does not alter the Agency's existing method of relocation.



Analysis of the Preliminary Plan

Section 33352(g) of the Law requires the inclusion of an analysis of the Preliminary Plan. This information was provided in the 1990 Report prepared at the time the original Plan was adopted. The proposed Amendment does not alter the analysis of the Preliminary Plan contained in the 1990 Report.

Report and Recommendation of the Planning Commission

The Planning Commission adopted a report on September 26, 1990 recommending adoption of the original Plan.

On August 16, 2000, the Planning Commission adopted a resolution (Exhibit 4) recommending that the Board adopt the Amendment.

The motion taken by the Planning Commission on the 16th differed somewhat from staff's recommendations in that the Planning Commission suggested that ALL of the R-1 properties (and Storke Ranch) be exempt from eminent domain. Staff had proposed that R-1 properties and Storke Ranch be exempt EXCEPT those on the bluffs south of Del Playa Drive and those on Abrego Road. The reason for this proposal was that staff could not foresee any redevelopment activities occurring in the contiguous R-1 area and the newly developed Storke Ranch. Since the two homes on Abrego are surrounded by multi-family housing units; and the bluffs are environmentally sensitive areas, staff concluded the most conservative approach would be to only exempt those areas in which they were certain redevelopment activities would not occur.

Report of the Project Area Committee

Prior to the adoption of the Plan in November 1990, the Board called upon Project Area residents, business owners, and property owners to form a Project Area Committee to review and pass a recommendation on the original Plan. The Isla Vista Project Area Committee (PAC) adopted a report recommending adoption of the Plan on July 30, 1990. A copy of the PAC's report is contained in the 1990 Report and incorporated herein by reference.

Because the Amendment would only extend the time frame of the Plan's existing eminent domain authority, the Amendment did not necessitate formation of another PAC. The original PAC remained in existence for the required three years, and disbanded.

General Plan Conformance

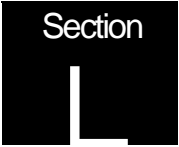
Concurrent with the original adoption of the Plan, the Planning Commission adopted a resolution on September 26, 1990 finding that the Plan conformed to the County's Comprehensive Plan and Local Coastal Program. Section 600 of the Plan provides that land uses permitted shall be those permitted by the County's Local Coastal Plan as it exists or is hereafter amended. Since 1990, the Goleta Community Plan was adopted which also guides development in Isla Vista.

On August 16, 2000, the Planning Commission adopted a resolution (Exhibit 4) reaffirming that the Amendment is consistent with the Comprehensive Plan, Local Coastal Program and Goleta Community Plan.

Environmental Documentation

Concurrent with the adoption of the original Plan in 1990, the Agency prepared a Program Environmental Impact Report (“EIR”) to review and mitigate impacts associated with Plan implementation. The EIR was included in the 1990 Report and is incorporated herein by reference.

For the Amendment, an Initial Study was prepared pursuant to California Environmental Quality Act guidelines, which found that the proposed Amendment to extend the time limit of the Plan’s existing eminent domain authority would not have a significant adverse impact on the environment with the incorporation of mitigation measures. As such, in July 2000, a Mitigated Negative Declaration for the proposed Amendment was completed and made available for review and comment. No comments were received on the Mitigated Negative Declaration. On October 17, 2000, the Board will consider a resolution approving the Mitigated Negative Declaration. A copy of the Mitigated Negative Declaration is included as Exhibit 5 to this Report.



Report of the County Fiscal Officer

The proposed Amendment does not alter Project Area boundaries; therefore, the 1989-90 base year report prepared pursuant to Section 33328 of the Law by the County of Santa Barbara Auditor-Controller and State Board of Equalization, respectively (“Base Year Report”), does not need to be reformulated. The Base Year Report is included in the 1990 Report and incorporated herein by reference.

Neighborhood Impact Report

A Neighborhood Impact Report was provided in the 1990 Report and is incorporated herein by reference. Because the Amendment extends a time limitation of an existing redevelopment power in the Plan, the Amendment does not alter the 1990 Report's analysis of the Plan's impacts on relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on schools, property assessments and taxes, and low and moderate income housing.

A Summary of Agency Consultation with Affected Taxing Agencies

As a part of the 1990 Plan adoption activities, the Agency consulted with affected taxing agencies to discuss the Plan's impacts and formulate fiscal mitigation agreements. The proposed Amendment would not detrimentally impact affected taxing agencies because the Amendment does not affect the financing of the Project Area in any way, nor will it change the plan's land use policies or list of public improvement projects.

On August 23, 2000, the Agency transmitted the notice of the September 26, 2000 joint public hearing to all affected taxing agencies. Thus far, the Agency has not been contacted by any taxing agencies seeking consultations regarding the Amendment.

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Exhibit

1

Isla Vista Redevelopment Project Area Map
(Showing Boundaries of Areas Exempt from Eminent Domain as
Proposed by the 2000 Amendment)



Proposed 2000 Amendment Text

Exhibit

3

Photo Survey/Samples of Existing Conditions

Exhibit

4

Report and Recommendation of the Planning Commission on the 2000 Amendment



Mitigated Negative Declaration on the 2000
Amendment