TO: Board of Supervisors of the County of Santa Barbara as the Successor Agency to the former County of Santa Barbara Redevelopment Agency

FROM: Department Director(s) Mona Miyasato, County Executive Officer

Contact Info: Tom Alvarez, Budget Director (568-3432)

SUBJECT: Fiscal Year 2015-16 Recommended Budget for the County of Santa Barbara as Successor Agency to the former County of Santa Barbara Redevelopment Agency

County Counsel Concurrence
As to form: Yes

Auditor-Controller Concurrence
As to form: Yes

Recommended Actions:

It is recommended that the Board of Supervisors:

a) Adopt the Resolution of the Board of Supervisors of the County of Santa Barbara as the Successor Agency to the former County of Santa Barbara Redevelopment Agency, entitled In The Matter Of Adopting The Budget For Fiscal Year 2015-16 For The County Of Santa Barbara As Successor Agency To The Former County of Santa Barbara Redevelopment Agency.

Summary Text:

As modified by the California Supreme Court, the ABX 126 amendments to California Redevelopment Law dissolved all redevelopment agencies in California on February 1, 2012. By taking no “opt out” action under California Health and Safety Code Section 34173 (d) (1), the Board of Supervisors of the County of Santa Barbara decided that the County of Santa Barbara would become the “Successor Agency” to the former County of Santa Barbara Redevelopment Agency.

Fiscal and Facilities Impacts:
The recommended action provides expense appropriations of $1,517,183. This is the amount necessary to provide for the payment of recognized obligations and the statutorily allowed administration allocation from the Redevelopment Property Tax Trust Fund. Approval of this recommendation adopts the Fiscal Year 2015-16 Recommended Budget for the County of Santa Barbara as Successor Agency to the former County
of Santa Barbara Redevelopment Agency (with any modifications determined by the Board) and authorizes the County Executive Officer and/or the County Auditor-Controller to take necessary related fiscal action.

**Attachments:**
1) Budget Schedule
2) Resolution of the Board of Supervisors of the County of Supervisors as Successor Agency to the former County of Santa Barbara Redevelopment Agency

**Authored by:**
Katie Roth, CPA 805-568-2141
Successor Agency to the Former County of Santa Barbara Redevelopment Agency

Budget & Full-Time Equivalents Summary & Budget Programs Chart

<table>
<thead>
<tr>
<th></th>
<th>Operating</th>
<th>Capital</th>
<th>FTEs</th>
</tr>
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<tbody>
<tr>
<td><strong>Successor Agency</strong></td>
<td>$1,517,183</td>
<td>$0</td>
<td>0</td>
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- County Executive Office
- Auditor-Controller
- County Counsel
MISSION STATEMENT

To manage the remaining enforceable obligations of the former County of Santa Barbara Redevelopment Agency.

DEPARTMENT DESCRIPTION

The Successor Agency operates subject to review by a legislatively formed Oversight Board comprised of representatives of the local agencies that represent other taxing entities in the redevelopment project area: the County, special districts, K-12 school districts and Santa Barbara Community College. The Oversight Board has authority over the financial affairs, as well as supervises the operations and the timely dissolution of the former Redevelopment Agency (RDA) for Isla Vista projects. The Successor Agency is tasked with making payments and meeting the recognized obligations of the former RDA. It is also responsible for maintaining necessary bond reserves and disposing of excess property. Under the direction of the Oversight Board, the excess balances of the agency beyond what is needed to meet recognized obligations are to be remitted to affected taxing entities.

The Successor Agency to the former County of Santa Barbara Redevelopment Agency is managed by the County Executive Office, in conjunction with the Auditor-Controller’s Office for finance and County Counsel for legal services. Departmental administrative costs are reimbursed plus overhead via interfund billing to the Successor Agency.

HIGHLIGHTS

- Developed and submitted the Recognized Obligation Payment Schedule to the Department of Finance for the applicable periods
- Completed the transfer of real properties located at 976, 970 and 881 Embarcadero del Mar, in Isla Vista CA to the County of Santa Barbara
- Completed the transfer of unspent bond proceeds to the County of Santa Barbara
- Received approval from the State Department of Finance of the Long-Range Property Management Plan
- Develop and submit the Recognized Obligation Payment Schedule for the periods required by legislation
Successor Agency to the Former County of Santa Barbara Redevelopment Agency

**Recommended Sources & Uses of Funds**

**Source of Funds - $1,517,183**

- Intergovernmental Revenue: $1,517,183 (100%)

**Use of Funds - $1,517,183**

- COP Payment: $1,377,831 (91%)
- Administration & Support: $140,000 (9%)

**Staffing Trend**

Staff resources are from Office of the County Administrator, County Counsel, and Auditor-Controller. Staff periodically charge the Successor Agency for work performed. Staff time has diminished with the stabilization of the related legislation and funding process. Proposed changes to the structure of oversight and funding may have a significant impact on the staffing resources needed and utilized in the supporting County departments. Current proposal is for the Auditor-Controller to provide oversight for all former Redevelopment Agencies and to have one annual funding request.
Successor Agency to the Former County of Santa Barbara Redevelopment Agency

**Budget Overview**

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<tr>
<td>Oversight of Successor RDA</td>
<td>3,928,099</td>
<td>1,692,183</td>
<td>(175,000)</td>
<td>1,517,183</td>
<td>1,520,883</td>
</tr>
<tr>
<td>Total</td>
<td>3,928,099</td>
<td>1,692,183</td>
<td>(175,000)</td>
<td>1,517,183</td>
<td>1,520,883</td>
</tr>
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**Budget By Categories of Expenditures**

| Services and Supplies | 198,283 | 298,400 | (158,400) | 140,000 | 140,000 |
| Other Charges         | 10,669  | 16,600  | (16,600)  | -       | -       |
| Properties transferred to SB County | 2,338,064 | - | - | 765,000 | 800,000 |
| Principal Portion of Bond Payment | 710,000 | 735,000 | 30,000 | 765,000 | 800,000 |
| Interest Portion of Bond Payment | 671,083 | 642,183 | (30,000) | 612,183 | 580,883 |
| Total                 | 3,928,099 | 1,692,183 | (175,000) | 1,517,183 | 1,520,883 |

**Budget By Categories of Revenues**

| Intergovernmental Revenue | 3,942,794 | 1,692,183 | (175,000) | 1,517,183 | 1,520,883 |
| Fund Balance Impact (-)  | (14,695)  | -         | -         | -        | -        |
| Total                   | 3,928,099 | 1,692,183 | (175,000) | 1,517,183 | 1,520,883 |
**Successor Agency to the Former County of Santa Barbara Redevelopment Agency**

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**Changes & Operational Impact: 2014-15 Adopted to 2015-16 Recommended**

**Staffing**
- There are no FTEs assigned to the Successor to the Redevelopment Agency

**Expenditures**
- Operating expenditure decrease of $175,000 due to:
  - Transfer of properties to the County of Santa Barbara and the related costs;
  - A reduction in related administrative costs due to the stability of the legislature related to RDAs

These changes result in recommended expenditures of $1,517,183, with 1,377,183 for the COP payments.

**Revenues**
- Net operating revenue decrease of $175,000 due to:
  - Decrease in administrative costs
  - Transfer of properties and related rent income to the County of Santa Barbara

These changes result in recommended revenues of $1,517,183.

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**Changes & Operational Impact: 2015-16 Recommended to 2016-17 Proposed**

The FY 2016-17 proposed budget expenditures reflect a $3,700 increase over the FY 2015-16 recommended budget that is entirely the result of the bond payment increase.

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**Related Links**

County of Santa Barbara website for the Successor Agency to the Former Isla Vista Redevelopment Agency
## Performance Measures

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<tr>
<td>Recognized Obligation Schedules completed and submitted to CA Department of Finance on-time</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Achieve compliance with Health and Safety Code Section 34177, concerning limits on administrative expenses</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA STATE OF CALIFORNIA, AS SUCCESSOR AGENCY TO THE FORMER COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY

IN THE MATTER OF ADOPTING THE BUDGET FOR FISCAL YEAR 2015-16 FOR THE COUNTY OF SANTA BARBARA AS SUCCESSOR AGENCY TO THE FORMER COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY

RESOLUTION NO. -

WHEREAS, the Board of Supervisors of the County of Santa Barbara, State of California, has been meeting from time to time and holding public hearings at such meetings for the discussion and consideration of the recommended budget for the 2015-16 fiscal year for the County of Santa Barbara as Successor Agency to the former County of Santa Barbara Redevelopment Agency, all pursuant to notice and the provisions of law, said public hearings having commenced on June 8, 2015, and concluded not later than June 12, 2015, pursuant to the requirements of Sections 29080 through 29092 of the Government Code of the State of California; and

WHEREAS, said Board of Supervisors has met pursuant to such published notice and heard all members of the general public and officials present regarding the matters aforesaid and has considered, made and settled all revisions of, deductions from, and increases or additions to the recommended budget which it deems advisable; and

WHEREAS, the record is in final form in the possession of the Santa Barbara County Clerk of the Board of Supervisors and Auditor-Controller, which meets requirements set forth in Government Code Section 29089, and the public hearing on said budget being now finally closed, and the meetings thereon finally concluded;

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Barbara, State of California, as the Successor Agency to the former County of Santa Barbara Redevelopment Agency, that said budget as so increased, modified, revised and finally settled shall be, and the same hereby is adopted as the budget for the 2015-16
fiscal year for the County of Santa Barbara as **Successor Agency to the former County of Santa Barbara Redevelopment Agency** whose affairs are financed and under the supervision of the Board of Supervisors; and that said budget document was presented to the Board of Supervisors at a public meeting and made a part of this resolution as though set forth in full pursuant to Government Code Section 29090.

**BE IT FURTHER RESOLVED** that the Auditor-Controller, in compiling the Final Budget, is authorized to make ministerial budget changes and to transfer appropriations to or from fund balance components and contingencies to balance the budget for the County of Santa Barbara as **Successor Agency to the former County of Santa Barbara Redevelopment Agency** funds governed by the Board of Supervisors.

**BE IT FURTHER RESOLVED** that the Auditor-Controller is authorized to make adjustments to the final budget of the County of Santa Barbara as Successor Agency to the former County of Santa Barbara Redevelopment Agency throughout fiscal year 2015-16 for line item accounts 3381 Unrealized Gain/Loss on Investments and 9897 Unrealized Gains to properly record changes in the fair value of investments.

**BE IT FURTHER RESOLVED** that the Auditor-Controller is authorized to make adjustments to the final budget of the County of Santa Barbara as Successor Agency to the former County of Santa Barbara Redevelopment Agency throughout fiscal year 2015-16 for line item account 3380 Interest Income and various fund balance accounts in order to properly record fund balance increases in operating funds due to interest income in the underlying agency fund.

**BE IT FURTHER RESOLVED** that the Auditor-Controller and County Executive Officer are authorized to make any adjustments to the final budget of the County of Santa Barbara as Successor Agency to the former County of Santa Barbara Redevelopment Agency for fiscal year 2015-16 in order to comply with any Governmental Accounting Standards
Board Pronouncements or to conform the budget to Generally Accepted Accounting Principles.

PASSED, APPROVED, AND ADOPTED by reference in accordance with Government Code Section 29090 by the Board of Supervisors of the County of Santa Barbara, State of California, this _____ day of June 2015 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST: ___________________________
Jane Wolf, Chair
Mona Miyasato
Board of Supervisors
Clerk of the Board

BY: ____________________________

APPROVED AS TO FORM:
Michael Ghizzoni
County Counsel

APPROVED AS TO ACCOUNTING FORM
Robert W. Geis, CPA
Auditor-Controller

BY: ____________________________
County Counsel

BY: ____________________________
Auditor-Controller