



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.: 012
For Agenda Of: June 11, 2012
Placement: Departmental
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

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) Chandra L. Wallar, County Executive Officer *CW*
Contact Info: Tom Alvarez, Budget Director (568-3432)

SUBJECT: Fiscal Year 2012-13 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 2012-13 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. Through 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.

As drafted, the County of Santa Barbara Fiscal Year 2012-2013 Operating Plan – Recommended Budget included the budget of the County of Santa Barbara as Successor Agency to the former County of Santa Barbara Redevelopment Agency.

After County Staff distributed the Fiscal Year 2012-2013 Operating Plan – Recommended Budget, however, the California Committee on Municipal Accounting (“CCMA”) published a “white paper” titled “Accounting and Financial Reporting for Dissolution of California Redevelopment Agencies.” Summarized, CCMA’s white paper states that funds maintained by Successor Agencies for the activities of former redevelopment agencies should be treated as private-purpose trust funds, which cannot be used to support programs or activities outside of the “wind down” of former redevelopment agencies that is required by Health and Safety Code Section 34177.

County Staff believes that CCMA’s “private-purpose trust fund” framework will be followed in audits of funds maintained by Successor Agencies. We therefore recommend that the Board of Supervisors adopt a separate budget resolution for the County of Santa Barbara as Successor Agency to the former County of Santa Barbara Redevelopment Agency:

- Adopting a separate budget resolution now for the Successor Agency would provide a clearer picture of the private-purpose trust fund structure and segregate it from the County’s budget; and
- Approval of the recommended action would authorize spending funds distributed from the Redevelopment Property Tax Trust Fund for the Successor Agency’s administrative budget and other enforceable obligations shown on Recognized Obligation Payment Schedules; but
- Those Recognized Obligation Payment Schedules would still be subject to approval of the Oversight Board that was established by Section 34179 of the ABX 1 26 amendments.

Fiscal and Facilities Impacts:

Approval of this recommendation adopts the Fiscal Year 2012-13 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. As allowed under Health and Safety Code Section 34176(a), the County elected to retain the housing assets and functions previously performed by the former redevelopment agency. The assets and activities for the Successor Agency Housing Fund after the date of dissolution continue to be reported in the County’s governmental fund financial statements. Those housing funds are included separately within the Recommended Budget for the County of Santa Barbara.

Attachments:

- 1) 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:

Michael Ghizzoni, Chief Assistant County Counsel, 568-3377
Theo Fallati, CPA, Assistant Auditor-Controller, 568-2102
John Jayasinghe, MPA, CEO Fiscal & Policy Analyst, 568-2246

Cc: Renee Bahl, Assistant County Executive Officer

**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 2012-13 FOR
THE COUNTY OF SANTA BARBARA AS SUCCESSOR AGENCY TO THE
FORMER COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY**

RESOLUTION NO. 12-

1 **WHEREAS**, the Board of Supervisors of the County of Santa Barbara, State of
2 California, has been meeting from time to time and holding public hearings at such meetings
3 for the discussion and consideration of the recommended budget for the 2012-13 fiscal year
4 for the County of Santa Barbara as Successor Agency to the former County of Santa Barbara
5 Redevelopment Agency, all pursuant to notice and the provisions of law, said public hearings
6 having commenced on June 11, 2012, and concluded on June 15, 2012, pursuant to the
7 requirements of Sections 29080 through 29092 of the Government Code of the State of
8 California; and

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

13 **WHEREAS**, the housing funds of the former County of Santa Barbara
14 Redevelopment Agency are included in the separate Recommended Budget of the County of
15 Santa Barbara; and

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

1 **NOW THEREFORE, BE IT RESOLVED** by the Board of Supervisors of the
2 County of Santa Barbara, State of California, as the Successor Agency to the former County
3 of Santa Barbara Redevelopment Agency, that said budget as so increased, modified, revised
4 and finally settled shall be, and the same hereby is adopted as the budget for the 2012-13
5 fiscal year for the County of Santa Barbara as Successor Agency to the former County of
6 Santa Barbara Redevelopment Agency whose affairs are financed and under the supervision
7 of the Board of Supervisors; and that said budget document presently consists of the 2012-13
8 Recommended Budget, the record for the Budget Hearings, and the summaries and decisions
9 of the Santa Barbara County Board of Supervisors in making final budget adjustments which
10 are incorporated herein and made a part of this resolution as though set forth in full pursuant
11 to Government Code Section 29090.

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

17 **BE IT FURTHER RESOLVED** that the Auditor-Controller is authorized to make
18 adjustments to the final budget of the County of Santa Barbara as Successor Agency to the
19 former County of Santa Barbara Redevelopment Agency throughout fiscal year 2012-13 for
20 line item accounts 3381 Unrealized Gain/Loss on Investments and 9897 Unrealized Gains to
21 properly record changes in the fair value of investments.

22 **BE IT FURTHER RESOLVED** that the Auditor-Controller is authorized to make
23 adjustments to the final budget of the County of Santa Barbara as Successor Agency to the
24 former County of Santa Barbara Redevelopment Agency throughout fiscal year 2012-13 for
25 line item account 3380 Interest Income and various fund balance accounts in order to

1 properly record fund balance increases in operating funds due to interest income in the
2 underlying agency fund.

3 **BE IT FURTHER RESOLVED** that the Auditor-Controller and County Executive
4 Officer are authorized to make any adjustments to the final budget of the County of Santa
5 Barbara as Successor Agency to the former County of Santa Barbara Redevelopment Agency
6 for fiscal year 2012-13 in order to comply with any Governmental Accounting Standards
7 Board Pronouncements or to conform the budget to Generally Accepted Accounting
8 Principles.

9 **PASSED, APPROVED, AND ADOPTED** by reference in accordance with
10 Government Code Section 29090 by the Board of Supervisors of the County of Santa
11 Barbara, State of California, this fifteenth day of June 2012 by the following vote:

12 AYES:

13 NOES:

14 ABSENT:

15 ATTEST:
Chandra L. Wallar
Clerk of the Board

Doreen Farr, Chair
Board of Supervisors

BY: _____

APPROVED AS TO FORM:
Dennis Marshall
County Counsel

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

BY: _____
County Counsel

BY: _____
Auditor-Controller