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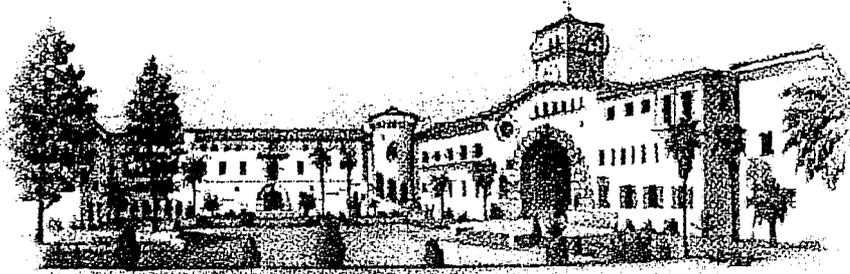
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COUNTY OF SANTA BARBARA

May 1, 2012

Honorable Brian Hill

Presiding Judge of the Superior Court of Santa Barbara County

1100 Anacapa Street

Santa Barbara, CA 93101

Reference: Response to Santa Barbara Grand Jury Titled, “*Requiem for Redevelopment*”

Judge Hill:

The County of Santa Barbara, acting as the Successor Agency to the former County of Santa Barbara Redevelopment Agency, is providing its response to the above-referenced Grand Jury Report. Like the Grand Jury, the Board of Supervisors recognizes the value of providing comprehensive disclosure of the former County of Santa Barbara Redevelopment Agency’s financial transactions, recipients of the former Agency’s financial resources and how the expenditure of such resources contributed to the elimination of blight. We appreciate the Grand Jury’s desire to keep former Redevelopment Agencies throughout the County of Santa Barbara accountable for their respective actions.

As directed by the Grand Jury, responses are provided in accordance with Section 933.05 of the California Penal Code.

Finding 7: “*County of Santa Barbara (Isla Vista): over the past 11 years spent \$44.1 million; received \$39.0 million in Tax Increment; has \$17 million in outstanding long-term debt and obligations.*”

The Board disagrees partially with the finding and includes the following explanation.

While the estimated amounts stated in Finding 7 regarding what the former County of Santa Barbara Redevelopment Agency (Isla Vista) received, spent and maintains in outstanding long-term debt and obligations are close to the actual figures, we include the following specific data gathered from our records.

Revenues received: \$37,957,445

Debt issued: \$17,000,000

Expenditure spent: \$39,073,204

The Oversight Board for the Successor Agency to the former County of Santa Barbara Redevelopment Agency met on April 12, 2012 and unanimously approved the Agency's Recognized Obligation Payment Schedule (ROPS). The ROPS is a payment schedule which details the outstanding financial obligations of the Successor Agency including the amounts, dates of payment, source of funding and payee for each payment. The approved ROPS was then forwarded to the State Department of Finance on April 13, 2012 as required by ABX1 26.

Finding 8: *“Detailed data are not available on the amount of money spent on individual projects, the recipients of this money, or how these projects have contributed to eliminating blight.”*

The Board disagrees partially with the finding and includes the following explanation.

Detailed data regarding the amount of money spent on past individual projects including housing and non-housing projects, and the recipients of the money spent, is available in the “Other Supplementary Information” section of the former RDA's Annual Financial Report for the fiscal year 2010/2011 on pages 40-59. The Annual Financial Report is posted on the Agency's website located here:

http://www.countyofsb.org/uploadedFiles/ceo/RDA/Financial_Report_of_the_Santa_Barbara_County_Redevelopment_Agency.pdf

While the former Agency's Annual Report does not specifically detail how each individual project has contributed to eliminating blight, a characterization of blighted conditions within the Project Area can be found on page 2 of the Annual Report and the former Agency's “Major Initiatives” intended to eliminate such blight can be found on pages 5 and 6.

Recommendation 1: *“That all successor agencies provide on their websites the following for projects funded over the past 10 years, including projects that have been funded, but not completed:*

- 1. List of all projects funding (completed or not) and the designated blight they eliminated.*
- 2. The amounts spent (or to be spent) on each individual project.*
- 3. The names and locations of recipients of over \$25,000 associated with each project.*
- 4. Administrative costs and professional services associated with each project.*
- 5. Amounts of principal and interest payments associated with each project.”*

This recommendation has not yet been implemented, but will be implemented in the future.

In response to this recommendation, the County is currently developing this detailed information and intends to post it on the website located here:

http://www.countyofsb.org/ceo/rda.aspx?id=1648&ekmense1=e2f22c9a_688_690_btnlink

The anticipated date of posting this information to the Successor Agency's website is May 15, 2012.

Recommendation 2a: *“That all successor agencies provide on their websites their plans for defining and eliminating blight in the absence of RDAs.”*

This recommendation will not be implemented because it is not warranted or is not feasible.

With the elimination of the County's former Redevelopment Agency, significant tax revenues previously used to improve the community of Isla Vista and eliminate blight were lost. This, in combination with the general downturn in the economy and the resultant drop in overall tax revenues realized by the County will make it challenging for the County to continue to expend monies specifically aimed at improving blighted communities. Prior to their elimination, all Redevelopment Agencies, including the County of Santa Barbara's former Redevelopment Agency, were required by Redevelopment Law to specifically define existing blighted conditions within their project areas and articulate the mechanisms and projects they intended to carry out in order to eliminate such blight. While this was required by law of former RDAs, there are no such legal requirements of Counties to do so in the absence of RDAs. The County will continue to support the economic vitality of communities throughout its jurisdiction to the best of its ability based upon available resources including funding sources such as the Federal Community Development Block Grant program. However, developing specific plans for defining and eliminating blight in the absence of RDAs, and posting such plans on the County's website is not a current requirement of the County.

Recommendation 2b: *“That all successor agencies provide on their websites their plans for providing low-income and moderate-income housing in the absence of RDAs.”*

This recommendation has been implemented.

Detailed information articulating the County's plans for providing low-income and moderate-income housing can be found within the “Draft 2012 Action Plan” on the County's Housing and Community Development website located here:

[http://www.countyofsb.org/uploadedFiles/housing/HDGA/REVISED%202012%20Action%20Plan%20FINAL%20DRAFT_4112%20\(MAM%20Comments%20to%20SF\)\(1\).pdf](http://www.countyofsb.org/uploadedFiles/housing/HDGA/REVISED%202012%20Action%20Plan%20FINAL%20DRAFT_4112%20(MAM%20Comments%20to%20SF)(1).pdf)

The County's Housing and Community Development Department seeks outside funds from several sources on an annual basis including the Community Development Block Grant (CDBG) and HOME programs administered by the United States Department of Housing and Urban Development (HUD). The County leverages these funds with local affordable housing in-lieu funds to partner with local affordable housing providers such as the Housing Authority of the County of Santa Barbara to develop, operate and maintain affordable housing developments throughout the County's jurisdiction.

Recommendation 3: *"That all successor agencies provide on their websites debt retirement schedules."*

This recommendation has not yet been implemented, but will be implemented in the future.

In response to this recommendation, the County has prepared the information requested and will post the information to the Successor Agency's website located here:

http://www.countyofsb.org/ceo/rda.aspx?id=1648&ekmensele=e2f22c9a_688_690_btlink

The anticipated date of posting this information to the Successor Agency's website is May 15, 2012.

Sincerely,



Doreen Farr, Chair
Santa Barbara County Board of Supervisors

Cc: Santa Barbara County Board of Supervisors
Ted Sten, Foreman, 2011-2012 Santa Barbara Grand Jury, 1100 Anacapa Street, Santa Barbara, CA 93101
Chandra Wallar, County Executive Officer
Renée Bahl, Assistant County Executive Officer
Mark Paul, Public Works