



CITY OF SANTA BARBARA

JOINT COUNCIL AND REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: April 20, 2010

TO: Mayor and Councilmembers
Chairperson and Agency Boardmembers

FROM: Housing and Redevelopment Division, Community Development
Department

SUBJECT: Future Of The Redevelopment Agency

RECOMMENDATION:

That Council and the Redevelopment Agency Board receive a report on the future of the Redevelopment Agency.

DISCUSSION:

Redevelopment is the primary tool used by cities and counties in California to revitalize their downtown core and assist in the provision of affordable housing. The City of Santa Barbara's Redevelopment Agency was formed in 1972 and began receiving property tax increment in 1977.. In August 2015, in accordance with State law, the Central City Redevelopment Project Area will expire. At expiration, the Agency will lose its ability to undertake new housing or capital projects. Since its inception, the Redevelopment Agency of the City of Santa Barbara has played a major role in the revitalization of the City's downtown core as well as the production of affordable housing. To date, the Redevelopment Agency has:

- ◆ Received more than \$255 million in tax increment revenue through Fiscal Year 2009 with Fiscal Year 2010 estimated annual revenues in excess of \$20 million.
- ◆ Invested approximately \$204 million in Downtown Santa Barbara – including over \$52 million since 2000.
- ◆ Invested approximately \$51 million in Affordable Housing resulting in an affordable housing stock of nearly 8% of the housing units in City.
- ◆ Provided over \$13 million in grants to community organizations.

Major capital projects funded in whole or part by the Redevelopment Agency have included: Paseo Nuevo, the Historic Train Depot, Chase Palm Park Expansion, the Granada Garage, State Street Sidewalks (400-1200 blocks), Fire Station #1 Renovation, Parking Garages #2, 9, 10, etc. Affordable housing projects either fully- or partially-funded by the Redevelopment Agency have included: Milagro de Ladera, St. Vincent's, Casa De Las Fuentes, Garden Court, Mental Health Association, El Carrillo, etc.

The impact of expiration of the Redevelopment Agency Project Area will be felt throughout the City and the South Coast and raises many questions. With an aging infrastructure, how will major capital improvements be funded in the downtown and the rest of the project area? How will much-needed affordable housing opportunities be funded in the City of Santa Barbara? How will the arts community continue to stay vibrant without one of its primary funding sources?

In the Fall of 2009 an interdepartmental team presented a report to the City Administrator and Department Directors that evaluated the purpose of the Redevelopment Agency, the current status of the Central City Redevelopment Project Area, the implications of the expiration of the Redevelopment Agency Project Area, and possible opportunities to continue the success of the Redevelopment Agency, albeit on a significantly smaller scale. Copies of the report have been made available to Council in the Council reading file. Copies available for public review have been provided at the Housing and Redevelopment Division Offices at 630 Garden Street, and the City Clerk's Office (City Hall). Members of this interdepartmental team presented the report to the Planning Commission on February 11, 2010.

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SUBMITTED BY: Paul Casey, Deputy Director

APPROVED BY: City Administrator's Office