



CITY OF SANTA BARBARA

JOINT COUNCIL AND REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: June 7, 2011

TO: Mayor and Councilmembers
Agency Chair and Boardmembers

FROM: Housing and Redevelopment Division, Community Development
Department

SUBJECT: Resolutions Approving The Transfer Of All Real Property Of The
Redevelopment Agency of the City of Santa Barbara To The City Of
Santa Barbara

RECOMMENDATIONS:

- A. That the Agency Board adopt, by reading of title only, A Resolution of the Redevelopment Agency of the City of Santa Barbara Approving the Transfer of All Interests in Real Property, Including All Leaseholds and Easements, Owned by the Redevelopment Agency of the City of Santa Barbara to the City of Santa Barbara to Implement the Provisions Set Forth in the Multi-Year Cooperation Agreement and the Redevelopment Plan for the Central City Redevelopment Project Area; and
- B. That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Accepting Title to All Interests in Real Property, Including Leaseholds and Easements, Owned by the Redevelopment Agency of the City of Santa Barbara, as Legally Described in Exhibit A Attached Hereto, and Authorizing the Recordation of the Grant Deed in the Official Records, in the Office of the County Recorder, County of Santa Barbara, State of California, to Implement the Provisions Set Forth in the Multi-Year Cooperation Agreement and the Redevelopment Plan for the Central City Redevelopment Project Area.

EXECUTIVE SUMMARY:

The California Redevelopment Law ("CRL"), as well as the Redevelopment Plan for the Central City Redevelopment Project Area, authorize the Redevelopment Agency of the City of Santa Barbara (Agency) to acquire real property for redevelopment purposes. Accordingly, the Agency acquired real property much of which was owned by the City of Santa Barbara at the time and some of which was owned by private land owners. The Agency's Central City Redevelopment Project Area ("CCRP"), by its terms, will expire in August 2015. It was anticipated that as the expiration of the CCRP approached, the real property owned by the Agency would be transferred to the City so that the City could complete the redevelopment projects contemplated in the Redevelopment Plan and provide for the continued use and maintenance of the property in future years.

The resolutions before the Agency Board and City Council today provide for the transfer of all Agency-owned real property to the City. After the transfer, and until 2015 when the CCRP expires, there will be no noticeable difference in how the Agency operates or achieves its goals. Future use and management of the properties will continue to follow the existing practices of the Redevelopment Agency as defined by the Redevelopment Agency Board and governed by California Redevelopment Law.

BACKGROUND:

Originally formed in 1972 and activated in 1977, the CCRP is scheduled to expire in August of 2015. The Agency has received more than \$275 million in tax increment revenue from its inception through Fiscal Year 2010. These funds have been used to pursue redevelopment efforts in the CCRP and affordable housing activities in the City.

Redevelopment-related projects have been focused on blight removal and the elimination of the influences that lead to blight. Many projects required that land owned by the City or private landholders be acquired by the Agency and reconfigured to allow for its redevelopment in accordance with the goals of the Redevelopment Agency. Prominent Agency-funded projects for which Agency land acquisition was required, include: Paseo Nuevo mall, Chase Palm Park Expansion, the restoration of the Rail Road Depot (now on the National Register of Historic Places), the Granada Garage and numerous other downtown parking structures. Affordable housing projects have included the Mental Health Association facility and St. Vincent's family and senior residential units.

2003 Multi-Year Cooperation Agreement: On December 16, 2003, the City Council adopted Ordinance No. 5301 approving a Multi-Year Cooperation Agreement between the City and the Agency. The Multi-Year Cooperation Agreement memorializes the contractual obligation of the City to undertake all redevelopment activities in the Project Area on behalf of the Agency and the Agency to reimburse the City for those expenditures from tax increment funds. The Multi-Year Cooperation Agreement creates an Agency debt that must be paid by the Agency to the City from the tax increment proceeds received by the Agency until the Agency reaches its tax increment cap or the year 2025, whichever occurs first. The Multi-Year Cooperation Agreement includes projects and programs for which Agency funds have been appropriated in annual budgets but have not been completed, including generally-anticipated new projects, projects as identified in the Implementation Plan, and programs that will be further defined by both parties over the period of the Multi-Year Cooperation Agreement. Also included are administrative and other costs which the Agency must reimburse the City for carrying-out the Agency projects.

DISCUSSION:

The proposed actions on today's agenda have been anticipated to occur prior to the expiration of the CCRP in August 2015. Staff is recommending that the City Council and Agency Board adopt the resolutions in an effort to implement the provisions of the Multi-Year Cooperation Agreement and to provide for the continuing use and maintenance of the many capital projects and affordable housing projects funded with Agency tax increment proceeds. In accordance with the CRL, and as provided in Section 420 et.

seq. of the Redevelopment Plan, in order to accomplish the goals and objectives of the Plan, it is appropriate to transfer all of the Agency property to the City. The proposed actions before the Council and Redevelopment Agency Board will allow the City and the Agency to provide appropriate project management and prudent fiscal management of the land currently held by the Agency.

Land Transfer: The Agency owns approximately 35.5 acres of real property in the Central City Redevelopment Project Area (Attachment: Agency-Owned Property). Land currently owned by the Agency was acquired primarily from the City to effectuate redevelopment projects and programs. One such project was the Paseo Nuevo Mall which is comprised of Agency-owned land that was originally acquired from the City as well as private land holders. The Agency took title to all of the land underlying the Mall and parking structures. Once title was held by the Agency, it was able to redefine the parcels and work with a developer to develop the Mall and enter into long-term agreements for the operation of the Mall and the public parking structures. It was anticipated that at a future date the property would be transferred back to the City.

Similarly, it has been expected that upon completion of the other redevelopment projects and programs, the property would be transferred to City ownership. The transfer of the Agency property to the City will help to carry out the goals and purposes of the Multi-Year Cooperation Agreement, accomplish and achieve the purposes of the Redevelopment Plan for the Project Area, sustain the redevelopment accomplished by the implementation of the Plan, expand and improve the City's supply of affordable housing, and enforce existing covenants, contracts and other obligations arising from the redevelopment projects.

Pursuant to Section 15061(b)(3) of the State California Environmental Quality Act ("CEQA") Guidelines, the transfer of real property is exempt from environmental review under CEQA because it can be seen with certainty that there is no possibility that the transfer may have a significant effect on the environment; and pursuant to Section 15301 of the State CEQA Guidelines, the transfer of real property is exempt from environmental review under CEQA because the transfer will result in a continuation of existing facilities involving no expansion of use, and any future development for the real property will require separate environmental review. In order to effectuate the transfers the appropriate legal processes will be pursued and accomplished by Agency and City staff.

BUDGET/FINANCIAL INFORMATION:

There is no anticipated budget or financial impact associated with the proposed actions as Agency-owned land is currently maintained and managed by City staff.

Joint Council And Redevelopment Agency Agenda Report
Resolutions Approving The Transfer Of All Real Property Of The Redevelopment Agency
of the City Of Santa Barbara To The City Of Santa Barbara
June 7, 2011
Page 4

ATTACHMENT: Agency-Owned Properties

PREPARED BY: Brian J. Bosse, Housing and Redevelopment Manager/MEA

SUBMITTED BY: Paul Casey, Assistant City Administrator

APPROVED BY: City Administrator's Office

**Property of the Redevelopment Agency of the City of Santa Barbara
June 2011**

Properties	County Assessor Parcel Number(s)	Area (Acres)
Waterfront Properties	017-113-029 017-113-034 017-113-030 017-113-035	2.41
Chase Palm Park Expansion	017-680-004 017-680-012 017-680-011	8.21
Ortega Water Treatment Facility	031-152-033	1.00
Railroad Depot	033-010-011 033-042-004 033-010-012 033-042-012 033-010-013 033-042-014 033-010-014 033-042-015 033-010-015 033-042-016 033-041-012 033-042-017 033-041-013 033-042-019 033-042-001 033-075-012 033-042-002 033-075-014 033-042-003 033-075-015	5.39
Parking Lots	031-151-018 037-132-038 039-321-047 033-051-020 037-173-047 039-321-048 033-113-014 037-173-049 039-321-051 033-113-016 037-173-050 039-321-054 033-113-017 037-252-011 039-321-055 033-113-018 039-183-046 039-321-056 033-113-022 039-183-053 033-113-023 039-183-054 037-132-035 039-261-009 037-132-036 039-321-045	12.23
Paseo Nuevo	037-400-001 037-400-005 037-400-002 037-400-006 037-400-003 037-400-019 037-400-004	6.29
Bath Street Properties	037-113-009 037-113-010	0.06
	Total acreage:	35.59