



# City of El Paso de Robles

"The Pass of the Oak" 5/5/92  
DATE

IV-C.1  
AGENDA ITEM #

( ) APPROVED ( ) DENIED  
( ) CONTINUED TO \_\_\_\_\_

TO: Rich Ramirez, City Manager  
FROM: Mike Compton, Director of Administrative Services <sup>(P)</sup>  
SUBJECT: Redevelopment Agency Promissory Note  
DATE: April 24, 1992

Need: For the City Council and Redevelopment Agency Board to consider adoption of resolutions providing for the approval of a promissory note for the loan of City funds to the Redevelopment Agency.

- Facts:
1. The City Council at their last regular meeting did adopt a multi-year Capital Improvement Projects budget.
  2. This budget did include a number of capital improvement projects which are to fully/partially funded from Redevelopment Agency due to the fact the projects are both in the Redevelopment Plan and Project Area.
  3. The Redevelopment Agency currently does not have sufficient financial resources to adequately fund its contribution towards the capital improvement projects identified in the budget.
  4. City Council is desirous of assisting the Redevelopment Agency and the Redevelopment Agency is agreeable to accepting said assistance.

Analysis and

Conclusion: The City has adequate cash reserves which might be utilized to provide funds to the Redevelopment Agency on a loan basis. The proceeds of any loan would be used to fully or partially fund those capital improvement projects which benefit the Redevelopment Agency.

The amount of funds to be loaned to the Redevelopment Agency total \$4,405,000 and are identified according to the following specific capital improvement projects:

Various street & road projects	\$ 655,000
New library construction	<u>3,750,000</u>
Total Amount	\$4,405,000
	=====

Funds would be made available on an "as needed" basis. Accrued

interest at 7.5% shall be paid from available tax increment revenues at each tax increment apportionment time period from the time the funds were actually made available. If tax increment revenues are not sufficient to pay all accrued interest, the unpaid portion shall be added to the principal amount loaned.

In the event that the Redevelopment Agency issues tax increment bonds, the entire principal plus accrued interest shall become immediately due and payable.

Fiscal Impact: The City would loan \$4,405,000 from its water operations and connections funds to be repayed at 7.5% over 15 years beginning in December, 1994. The semi-annual payments would be made to coincide with the semi-annual apportionment of tax increment revenues by the San Luis Obispo County Auditor-Controller. Each semi-annual payment would total \$247,065.98 and would be divided between interest and principal according to the attached amortization schedule.

Options:

1. That the City Council adopt Resolution No. \_\_\_\_ approving a promissory note between the City and the Redevelopment Agency and authorizing execution of same by the Mayor; and

That the Redevelopment Agency adopt Resolution No. \_\_\_\_ approving a promissory note between the City and the Redevelopment Agency and authorizing execution of same by the Board Chairman; or

2. That the City Council and/or Redevelopment Agency Board not adopt a resolution providing for the execution of a promissory note between the two agencies; or
3. Amend, modify or reject any of the options above.

RESOLUTION NO.

A RESOLUTION OF THE PASO ROBLES REDEVELOPMENT  
AGENCY APPROVING AND AUTHORIZING EXECUTION OF  
PROMISSORY NOTE MADE BY THE AGENCY TO THE CITY  
EL PASO DE ROBLES

WHEREAS, the Paso Robles Redevelopment Agency ("Agency") has not yet accumulated sufficient funds nor yet receives annual property tax increment revenues sufficient to bond for all of the projects located within it's project boundaries which have been identified by both the City Council of the City of El Paso de Robles ("City") and the Agency as being of the utmost priority; and

WHEREAS, the City is desirous of assisting the Agency in carrying out the Paso Robles Redevelopment Project Plan ("Project") by loaning cash resources to the Agency from the City's Water Operations and/or Connections Funds; and

WHEREAS, the Agency desires to accept the loan and give its note to the City for the specific purpose completing various street related projects and the construction of a new City library; and

WHEREAS, the Promissory Note for Project has been prepared from the Agency to the City, in which the Agency shall pay to the City the amount and on the terms as set forth in said Note, attached hereto as Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED BY PASO ROBLES REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. The Promissory Note is hereby approved and the Board Chairman is authorized to execute said note on behalf of the Agency.

SECTION 2. The Secretary shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and be in force.

APPROVED AND ADOPTED by the Redevelopment Agency Board this 5th day of May, 1992 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Attest:

Paso Robles Redevelopment Agency

\_\_\_\_\_  
Richard J. Ramirez, Secretary

\_\_\_\_\_  
Nick Russell, Chairman

RESOLUTION NO.

A RESOLUTION OF THE CITY OF EL PASO ROBLES DE  
ROBLES APPROVING AND AUTHORIZING EXECUTION OF  
PROMISSORY NOTE TO THE CITY FROM THE PASO  
ROBLES REDEVELOPMENT AGENCY

WHEREAS, the City of El Paso de Robles ("City") is assisting the Paso Robles Redevelopment Agency ("Agency") in carrying out the Paso Robles Redevelopment Project Plan ("Project"); and

WHEREAS, the City desires to give the loan and accept a note from the Agency; and

WHEREAS, the City shall make funds available to the Agency from it's Water Operations and/or Connections Funds; and

WHEREAS, the Promissory Note for Project has been prepared from the Agency to the City, in which the Agency shall pay to the City the amount and on the terms as set forth in said Note, attached hereto as Exhibit "A"; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF EL PASO DE ROBLES AS FOLLOWS:

SECTION 1. The Promissory Note is hereby approved and the City Manager is authorized to execute said note on behalf of the City.

SECTION 2. The City Clerk shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and be in force.

APPROVED AND ADOPTED This 5th day of May, 1992 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Christian Iversen, Mayor

Attest:

Richard J. Ramirez, City Clerk

PROMISSORY NOTE WITH INTEREST

\$4,405,000

June 30, 1992

For value received, the PASO ROBLES REDEVELOPMENT AGENCY ("AGENCY") promises to pay to the CITY OF EL PASO DE ROBLES ("City") at Paso Robles, California, the sum of Four Million Four Hundred and Five Thousand Dollars (\$4,405,000) with interest at the rate of Seven and One-half Percent (7.5%) per annum from the date of this note until paid. The principal and all accrued interest shall be re-paid in semi-annual installments coinciding with the apportionment of property tax increment by the County of San Luis Obispo Auditor-Controller's Office. Payment must be received by the 15th day of the month immediately following the month in which the apportionment is received by the AGENCY from the Auditor-Controller's Office. This promissory note and all accrued interest shall become due and payable in full immediately upon the issuance of tax increment bonds for any AGENCY purposes.

Principal and interest shall be payable in lawful money of the United States.

AGENCY shall pay the City only from tax increments available to the AGENCY pursuant to the Redevelopment Plan for the Paso Robles Redevelopment Project in accordance with Sections 33670-33674 of the California Redevelopment Law and Section 19, Article XIII of the California Constitution, and from no other source.

PASO ROBLES REDEVELOPMENT AGENCY

By: \_\_\_\_\_  
Nick Russell, Chairman

CITY OF EL PASO DE ROBLES

By: \_\_\_\_\_  
Christian E. Iversen, Mayor

RDA Capital Projects Loan - 15 Year Amortization @ 7.5%

<u>Payment Date</u>	<u>Payment</u>	<u>Int. ( 7.50%)</u>	<u>Principal</u>	<u>Loan Balance</u>
6/30/1994	0.00	0.00	0.00	4,405,000.00
12/30/1994	247,065.98	165,187.50	81,878.48	4,323,121.52
6/30/1995	247,065.98	162,117.06	84,948.93	4,238,172.59
12/30/1995	247,065.98	158,931.47	88,134.51	4,150,038.08
6/30/1996	247,065.98	155,626.43	91,439.56	4,058,598.52
12/30/1996	247,065.98	152,197.44	94,868.54	3,963,729.98
6/30/1997	247,065.98	148,639.87	98,426.11	3,865,303.87
12/30/1997	247,065.98	144,948.90	102,117.09	3,763,186.78
6/30/1998	247,065.98	141,119.50	105,946.48	3,657,240.30
12/30/1998	247,065.98	137,146.51	109,919.47	3,547,320.83
6/30/1999	247,065.98	133,024.53	114,041.45	3,433,279.37
12/30/1999	247,065.98	128,747.98	118,318.01	3,314,961.37
6/30/2000	247,065.98	124,311.05	122,754.93	3,192,206.43
12/30/2000	247,065.98	119,707.74	127,358.24	3,064,848.19
6/30/2001	247,065.98	114,931.81	132,134.18	2,932,714.01
12/30/2001	247,065.98	109,976.78	137,089.21	2,795,624.80
6/30/2002	247,065.98	104,835.93	142,230.05	2,65,3394.75
12/30/2002	247,065.98	99,502.30	147,563.68	2,505,831.07
6/30/2003	247,065.98	93,968.67	153,097.32	2,352,733.75
12/30/2003	247,065.98	88,227.52	158,838.47	2,193,895.28
6/30/2004	247,065.98	82,271.07	164,794.91	2,029,100.37
12/30/2004	247,065.98	76,091.26	170,974.72	1,858,125.65
6/30/2005	247,065.98	69,679.71	177,386.27	1,680,739.37
12/30/2005	247,065.98	63,027.73	184,038.26	1,496,701.12
6/30/2006	247,065.98	56,126.29	190,939.69	1,305,761.42
12/30/2006	247,065.98	48,966.05	198,099.93	1,107,661.49
6/30/2007	247,065.98	41,537.31	205,528.68	902,132.81
12/30/2007	247,065.98	33,829.98	213,236.00	688,896.81
6/30/2008	247,065.98	25,833.63	221,232.35	467,664.46
12/30/2008	247,065.98	17,537.42	22,9528.57	238,135.89
6/30/2009	247,065.98	8,930.10	238,135.89	0.00
<b>Totals</b>	<b>7,411,979.53</b>	<b>3,006,979.53</b>	<b>4,405,000.00</b>	<b>0.00</b>

5/5/92

DATE

IV-C.2

AGENDA ITEM #

( ) APPROVED ( ) DENIED

( ) CONTINUED TO \_\_\_\_\_

To: RICHARD J. RAMIREZ, EXECUTIVE DIRECTOR

From: ROGER ELKIN, ECONOMIC DEVELOPMENT MANAGER *RE*

Subject: LOCATION OF A TEMPORARY BUS TERMINAL

Date: MAY 5, 1992

Needs: For the Redevelopment Agency to provide direction to staff regarding site selection for the temporary relocation of the bus terminal operated by Jo Norris and currently sited on City property at 10th and Spring Streets.

- Facts:
1. The current facility has been leased by the City to Jo Norris for the purpose of operating a bus terminal for Greyhound, Orange Belt and Amtrack services.
  2. The current facility is scheduled to be demolished and the site cleared as a part of the Library project. According to the latest project schedule, this should occur by September 1992.
  3. At their April 21, 1992 meeting, Council directed that relocation options be brought back for consideration at their May 5, 1992 meeting.
  4. Staff has discussed all of the potential sites and the screening criteria with Greyhound representatives, however, the district manager will not be able to visit Paso Robles until the week of May 11, 1992. Final selection must meet Greyhound's approval.
  5. Staff has analyzed potential sites, based on the following criteria:
    - a) Parcel size (minimum: 6000 square feet)
    - b) Access to Highway 101 and Spring Street
    - c) Availability of support commercial services in the vicinity (i.e.: food and lodging)
    - d) Improvements required and estimation of cost for improvements
    - e) Estimated time for completion of improvements and relocation of terminal (target: September 1, 1992)

Analysis and  
Conclusion:

Of the six sites researched (Attachment "A"), only three have the potential to meet the September 1, 1992 target date. Failure to relocate the terminal in a timely fashion may result in increased demolition costs and may delay actual construction, resulting in construction delay costs of \$500 to \$1000 per day.

Each of the three sites has the basic infrastructure available and requires minimal grading work. None, however, have buildings. Detailed cost estimates are not available, pending confirmation of Greyhound's specific site development requirements. The range of costs provided assumes the outright purchase of a modular building. Provided below is a description of work required at each location:

**A) Ninth and Pine Street (northwest corner):**

This site has sewer, water, electric and telephone services available. There are no on-site improvements. The parcel is relatively flat and will require minor grading. The parking lot could be developed in conjunction with the extension of the Police Department's lot, thereby saving time and money. The site has easy access from Spring Street. Commercial services are located within walking distance. There is no visibility from Spring Street. The site is City owned.

Range of costs: \$40,000 to \$75,000

**B) Fourth and Pine Street (northwest corner):**

This site has an improved parking lot which would be adequate for buses. The site has sewer, water, electric and telephone service available. One significant disadvantage is the lack of commercial services in the area. The current Greyhound operator has expressed some concern regarding this location; specifically, the less convenient access to Spring Street, the lack of visibility from Spring Street and the distance from downtown. The site is City owned.

Range of costs: \$35,000 to \$50,000

**C) Tenth and Spring Street (northwest corner):**

This site has sewer, water, electric and telephone services nearby. There are no on-site improvements. The parcel is relatively flat and will require minor grading. The property owner is receptive to a short term (3 to 5 year) lease with the City but improvements would be at the City's or tenant's expense. No lease rates have been discussed. On-site improvements required include paving of the parking lot and expanded driveway(s). The project could trigger a requirement that Spring Street be set back and new curb, gutter and sidewalk be installed. The site has very good access to commercial services and excellent visibility from Spring Street.

Range of costs: \$60,000 to \$100,000 and monthly lease (amount unknown)

Staff was not able to locate any suitable location which had an existing building and parking lot and which could be occupied without significant reconstruction. Greyhound has indicated that they can successfully operate within an 800 to 1000 square foot modular building and that they currently do so in several locations in California. All new facilities must have fully accessible restrooms and be in

compliance with the new requirements of the American Disabilities Act.

Policy

Reference: Capital Improvements Program; New Municipal Library; adopted April 21, 1992

Fiscal

Impact:

Site improvements to be paid by the Redevelopment Agency through a loan from unappropriated reserves. Modular costs are estimated to be between \$25,000 and \$40,000 and, if leased, may be able to be partially repaid through monthly rent. Their current rent payment is \$489; loan payments for \$40,000 amortized over five (5) years at 7.5% is \$801.52/month. Final costs are conditional on Greyhound requirements and more detailed cost estimates.

Options:

1. **Direct staff to: 1) initiate the development of a temporary bus terminal at the Ninth and Pine Street location, including preparation of alternate bid specifications (which will provide the Council with detailed cost estimates) as a part of the expansion of the City Police Department parking lot project and 2) authorize staff to negotiate a lease agreement with the operator of the bus terminal.**
2. **Direct staff to: 1) initiate the development of a temporary bus terminal at the Fourth and Pine Street location, including preparation of bid specifications for all required on-site and off-site work and 2) authorize staff to negotiate a lease agreement with the operator of the bus terminal.**
3. **Direct staff to: 1) enter into lease negotiations with the owners of the Tenth and Spring Street site for the purpose of developing a temporary bus terminal, 2) prepare bid specifications for all required on-site and off-site improvements and 3) authorize staff to negotiate a lease agreement with the operator of the bus terminal.**
4. **Amend, reject or modify the above option(s).**

Location	Approximate Size	Access to Hwy 101 and Spring St.	Available Support Commercial Services	Improvements Required	Estimated cost range	Estimated time for relocation
A) Ninth and Pine St.	10,000 sq. ft. (more available, but not recommended)	Within two blocks of Spring Street; easy access through signal at 10th and Spring	food: three facilities within two blocks; lodging: two facilities within two blocks	1. Pave parking lot 2. Complete curb, gutter and sidewalk on 9th Street 3. Bring utilities on site. 4. Install modular	\$40,000 to \$75,000	September 1, 1992
B) Fourth and Pine St.	10,000 sq. ft. (more available, but not recommended)	Within two blocks of Spring Street; access through signal at 6th and Spring	food: two facilities within three blocks; lodging: one within four blocks	1. Bring utilities to site. 2. Install modular	\$35,000 to \$50,000	September 1, 1992
C) Tenth and Spring St.	approximately 8,000 sq. ft.	On Spring St.	food: several facilities within two blocks; lodging: two within two blocks	1. Negotiate lease with property owner 2. Pave parking lot 3. Complete curb, gutter and sidewalk on Spring Street 4. Bring utilities on site. 5. Install modular	\$60,000 to \$100,000, plus monthly lease (amount unknown)	Fall 1992
D) 36th and Spring St.	77,500 sq. ft. lot; has a building on site (metal shell)	On Spring; easy access to Hwy 101 North; access to Hwy 101 South at 24th Street and Hwy 46 East intersection	food: three facilities within four blocks; lodging: several within four blocks	1. Negotiate lease with property owner 2. Pave parking lot 3. Complete curb, gutter and sidewalk on 36th Street 4. Remove building and install modular or remodel building	Cost of site preparation, on-sites and off-sites unknown; extensive work required. Lease cost of \$1500/month negotiable for long term lease (over two years).	Unknown
E) 12th and Railroad Ave. (City parking lot)	10,000+ sq. ft.	Easy access to Hwy 101 through 13th and Riverside; access from Spring Street east on 12th	food: several facilities within two blocks; lodging: two within five blocks	1. Bring utilities to site. 2. Install modular 3. Develop additional parking to offset lost spaces	Structural strength of paving unknown; cost of replacing parking unknown.	Unknown
F) 26th and Spring (former Knudson site)	17,000 sq ft with building	On Spring; easy access to Hwy 101 North; access to Hwy 101 South at 24th Street and Hwy 46 East intersection	food: several facilities within two blocks; lodging: two within two blocks	1. Negotiate lease or purchase with owner 2. Rehabilitate building to meet access requirements 3. Demolish loading docks in rear	Lease possible, asking sale price of \$229,000; building reconstruction costs unknown.	Unknown

5/5/92  
DATE

IV.C.3  
AGENDA ITEM #

( ) APPROVED ( ) DENIED

( ) CONTINUED TO \_\_\_\_\_

To: RICHARD J. RAMIREZ, EXECUTIVE DIRECTOR  
From: ROGER ELKIN, ECONOMIC DEVELOPMENT MANAGER *RE*  
Subject: SB 1711 (BERGESON)  
Date: MAY 5, 1992  
Needs: For the Agency to consider adoption of a Resolution or other actions opposing Senate Bill 1711 (Bergeson).

- Facts:
1. SB 1711 is legislation proposed by State Senator Marion Bergeson regarding the operation of redevelopment agencies. The bill contains two significant elements:
    - a) A requirement that the municipality have a housing element in substantial compliance with state law. If it is determined that the element is not in substantial compliance, then funds not needed to service long term debt (see item #2) are to be withheld until such time as the city's housing element is in compliance; and
    - b) Gives the State Attorney General standing "for the purpose of challenging any action taken by a redevelopment agency..."
  2. Long term debt is defined by the bill as bonds, long-term leases and lease-purchase agreements. It does not include development agreements, construction contracts or loans between the City and Agency.
  3. The bill has been approved by the Senate Local Government Committee and has been referred to the Senate Appropriations Committee.
  4. The Housing Element for the City of Paso Robles is state certified through June 30, 1992. The City Planner is now in the process of preparing a draft housing element update.
  5. Attachments:
    - "A" Resolution
    - "B" CRA Legislative Bill Report

**Analysis and Conclusion:**

The bill has potential far reaching impacts on the operation of redevelopment agencies. Authority for oversight of the agency would shift from the local level to the State Attorney General's office. This, coupled with the requirement that the city's housing element be in substantial compliance with state law in order for the agency to receive full funding, has the potential of shifting substantial

management authority to the State of California.

The agency could have some difficulty issuing debt, other than bonds, long-term leases, and lease-purchase agreements, even if the housing element was in compliance at the time the debt was issued. There would be no assurances that the housing element would stay in compliance and that the revenue would be available to fulfill agreements.

Since funds needed to repay bonds issued when an agency's housing element is in compliance are exempt from the withholding requirements, the process of issuing bonds may be complicated and/or delayed while bond underwriters seek assurances that the city's housing element is in compliance.

Any reduction in the Agency's ability to increase tax increment through development projects will result in a reduction of 20% housing setaside monies and is likely to result in reduced investment by the Agency in housing support programs. SB 1711 could have results opposite that which the bill's author desires; it is foreseeable that housing monies may be reduced as a result of this legislation.

The California Redevelopment Association, of which Paso Robles Redevelopment Agency is a member, has actively opposed the legislation and has requested that agencies which also oppose the legislation communicate the Agency's position to their Senator and to the Senate Local Government Committee.

Policy

Reference: None.

Fiscal

Impact: Unknown.

Options:

1. That the Agency adopt Resolution No. 92- \_\_\_ Opposing Senate Bill 1711 (Bergeson) and direct staff to communicate the Agency's position to State Senator Ken Maddy and the Senate Local Government Committee.
2. Amend, reject or modify the above option(s).

**RESOLUTION NO. 92-**

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF  
THE CITY OF EL PASO de ROBLES  
OPPOSING SENATE BILL 1711 (BERGESON)**

WHEREAS, the Redevelopment Agency of the City of El Paso de Robles (AGENCY) has considered the impact of Senate Bill 1711 (Bergeson) on the operation of the Redevelopment Agency; and

WHEREAS, the AGENCY has found that SB 1711 will give the Attorney General of the State of California undue authority in the administration of local programs; and

WHEREAS, the AGENCY has found that even the potential that Redevelopment monies could be withheld as a result of a determination that the City's housing element may not be in compliance with state law would have substantial negative impact on the operation and activities of the AGENCY; and

WHEREAS, the AGENCY has found that limits on the ability of the AGENCY to enter into agreements which generate tax increment through development projects would also limit the amount of 20% housing setaside funds generated; and

WHEREAS, any reduction in 20% housing setaside monies will result in reduced investment in housing in the Project Area;

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED by the Redevelopment Agency of the City of El Paso de Robles that:

1. The Redevelopment Agency of the City of El Paso de Robles is opposed to Senate Bill 1711 in its current form.
2. The Redevelopment Agency calls for Senator Ken Maddy to oppose the proposed legislation.
3. The Redevelopment Agency calls for the Senate Local Government Committee to oppose the proposed legislation.

**PASSED AND ADOPTED THIS 5th day of May 1992, by the following roll call vote:**

**AYES:**

**NOES:**

**ABSENT:**

\_\_\_\_\_  
**NICK RUSSELL, CHAIRMAN**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

# LEGISLATIVE BILL REPORT

April 10, 1992

APR 13 1992

No. 1992-6

CALIFORNIA  
REDEVELOPMENT  
ASSOCIATION

1400 K Street  
Suite 204  
Sacramento  
CA 95814  
(916) 448-8760  
Fax (916) 448-9397

1) **SB 1711 (Bergeson) Housing Element, Housing Funds, Plan Adoption and Attorney General**

OPPOSE

Senate Appropriations  
Committee

Hearing: Not Set

SB 1711 was approved by the Senate Local Government Committee on April 8. Although the bill has been amended to remove several objections, two primary issues remain which will significantly impact redevelopment agencies. SB 1711 holds redevelopment agency funds hostage if the community does not have a housing element in substantial compliance with state law and it continues to give the Attorney General standing "for the purposes of challenging any action taken by a redevelopment agency. . . ."

Senator Bergeson agreed to exempt "debt" issued prior to enactment of the bill and "debt" issued while the housing element is in compliance. However, "debt" is confined to bonds and long-term leases or lease-purchase agreements. It does not include development agreements, construction contracts, service agreements, loans between a city and its agency, or the on-going agency administrative expenses. In a cynical twist, the bill will allow an agency to loan money to a nonprofit housing corporation and to issue bonds for low and moderate housing construction and rehabilitation. An agency that does not have a housing plan in place may continue to spend its housing funds.

The Department of Housing and Community Development indicates that only 21% of the 509 cities and counties in the state have a housing element "in compliance with state law." The following statistics are from HCD's annual report to the state legislature:

Adopted in compliance	107	21%
In local process	163	32%
Under HCD review	80	16%
Adopted out of compliance	84	16%
Obsolete	75	15%

Listed on the last page are the cities and counties which have been identified by HCD as having a redevelopment agency and a housing element that is obsolete or out of compliance. **The 194 communities on this list are at risk of losing all redevelopment tax increment funds except the amount needed to pay pre-existing bond debt.** It is the intent of SB 1711 to hold your funds hostage until you substantially comply

with the housing element law. SB 1711 does not state what will happen with such impounded funds. Will they be disbursed to other taxing entities? Will you get the funds when you comply? Will the state take the funds? No one knows — the bill does not address this issue.

HCD has withdrawn its proposed language which would make determination of "substantial compliance" with housing element law an HCD responsibility rather than a local city or county responsibility. However, if SB 1711 is adopted, it would take only the addition of three words in a future bill to be subject to the decisions of local elected officials to the centralized approval by non-elected state bureaucrats.

CRA proposed alternative language to limit the standing of the Attorney General to the plan adoption process and matters where a state interest is involved. The language was rejected. Senator Kopp expressed concern about RDA eminent domain actions and the sale of property to developers. There is no doubt that his intention is to have the state oversee local decisions of all kinds — not just those of statewide importance.

When CRA pointed out the inequity of applying penalties only to cities and counties with redevelopment agencies, the response from the Senate Local Government Committee consultant is that redevelopment is a "plum" that is optional for local government. He fails to acknowledge that the human suffering in blighted neighborhoods, the decaying infrastructure in neighborhood and business districts, the financial drain and job loss from vacancies in business and industrial areas have an enormous impact on citizens in this state and their local governments. Redevelopment of these areas is not optional — it is essential. Redevelopment funds are not a "plum" handed to a city or county, they are the result of the hard work of turning around blighted areas, attracting new private investment to poor locations in rundown areas and rebuilding the public infrastructure so private individuals and companies will reinvest in a local area rather than flee to another part of the state or out of the state. Redevelopment is the most powerful and successful economic development tool in California. SB 1711 threatens to impede the ability of local communities to solve local problems. Without the dynamic efforts, risk-taking and problem-solving by redevelopment agencies, the reinvestment in blighted areas would not occur and the tax increment funds would not exist. Without these funds, few cities would have the resources to prevent urban decay and the suffering it causes.

CRA is adamant in its opposition to SB 1711. The penalty is far too severe and disproportionate to the problem of housing elements. Make sure your Senator knows your agency opposes SB 1711. If you have already made contact, make sure your Senator understands that the amendments are technically flawed and unworkable.

**2) AB 3700 (Brown)**

**Project Area Committee, Replacement  
Housing, Mandatory Affordable Housing**

**OPPOSE UNLESS  
AMENDED**

**Assembly Local  
Government Committee**

AB 3700 was approved by the Assembly Housing and Community Development Committee on April 8. However, the sponsor of the bill, the Western Center on Law and Poverty has agreed to work with CRA for amendments to which both organizations can agree. The amendments will

drop the increases for inclusionary housing requirements, the required independent legal counsel, the affirmative marketing plan, the formation of a PAC prior to selection of a project area and requiring a PAC for the life of the redevelopment plan. CRA will agree to having PAC members elected and to notify all residential and business tenants, not just property owners, about the redevelopment area formation by first class mail (not certified). The most significant remaining issue is the formation of a new PAC if, several years into a project, the agency initiates eminent domain actions, not previously contemplated, which will dislodge residents. Also, not yet resolved is the conflict of interest issues for PAC members. Hopefully, some language acceptable to the FPPC can be agreed upon. CRA will continue to oppose AB 3700 until an acceptable compromise is reached.

The following bills were approved by the Assembly Housing and Community Development Committee.

**3) AB 2407 (Hughes) Refunding Revenue Bonds**

**SUPPORT**

(See Legislative Bill Report No. 1992-4, March 13 for details.)

Assembly Ways & Means

**4) AB 2738 (Cannella) Merced County Joint Powers Agency**

**WATCH**

(See Legislative Bill Report No. 1992-4, March 13 for details.)

Assembly Ways & Means

**5) AB 3086 (Hauser) CDAC, Housing Information Clearinghouse**

**SUPPORT**

This CRA sponsored bill was amended to be solely an information clearinghouse. The authorized fee has been capped. The bill will establish a state oversight committee. The California Public Securities Association opposes AB 3086. Assemblyman Hauser agreed to meet with the Securities Association and CRA to work out an acceptable program.

Banking, Finance and Bonded Indebtedness Committee

**6) AB 3330 (Costa) Expenditure of Housing Funds Outside the Agency**

**WATCH**

This is a spot bill sponsored by the California Association of Realtors. CRA will watch to see if the bill moves forward.

Assembly Local Government Committee

**7) AB 3528 (Polanco) Project Area Committees**

**WATCH**

This is a spot bill reacting to the LA CRA Hollywood project. CRA will watch to see if the bill moves forward.

Assembly Local  
Government  
Committee

**8) AB 3533 (Hauser) Excess Surplus Moneys — Redevelopment in Rural Counties**

**OPPOSE UNLESS  
AMENDED**

According to the author, rural communities may have a problem spending their excess surplus LMI housing funds within the jurisdictions where the moneys were generated in a timely manner. AB 3533 has been amended to authorize county housing authorities, operating within a county with a population under 200,000, to expend these moneys anywhere within the county, including any incorporated areas. Redevelopment agencies in the following counties would be affected:

Assembly Ways &  
Means Committee

Amador	Butte	Colusa	Del Norte
El Dorado	Glenn	Humboldt	Imperial
Inyo	Kings	Lake	Madera
Mariposa	Mendocino	Merced	Napa
Nevada	Placer	Plumas	San Benito
Shasta	Siskiyou	Sutter	Tehema
Tuolumne	Yolo	Yuba	

**9) SCA 17 (Calderon) Election Requirements — Article 34**

**WATCH**

SCA 17 changes the procedure for holding Article 34 elections for low-cost housing to make elections more site specific and identified as having a significant negative impact.

Housing Elements in CRA Communities - Obsolete or Out of Compliance, 9/30/91

Agoura Hills	Firebaugh	Milpitas	San Jacinto
Anaheim	Folsom	Modesto	San Jose
Antioch	Fortuna	Monrovia	San Juan Cap.
Atwater	Foster City	Montclair	San Leandro
Bakersfield	Fountain Valley	Montebello	San Marcos
Baldwin Park	Fowler	Monterey	San Pablo
Barstow	Fresno	Monterey Co.	San Ramon
Bell	Fresno Co.	Monterey Park	Santa Ana
Bellflower	Fullerton	Morgan Hill	Santa Barbara
Big Bear Lake	Galt	Mountain View	Santa Barbara Co
Brentwood	Garden Grove	National City	Santa Clara
Brisbane	Glendora	Needles	Santa Cruz
Buena Park	Gilroy	Norco	Santa Cruz Co.
Burbank	Half Moon Bay	Norwalk	Santa Fe Springs
Calexico	Hanford	Novato	Santa Monica
California City	Hawaiian Gardens	Oakland	Santa Paula
Capitola	Hawthorne	Oceanside	Seaside
Carlsbad	Healdsburg	Ojai	Sebastopol
Carson	Hercules	Ontario	Selma
Cerritos	Hidden Hills	Orange Cove	Signal Hill
Chico	Highland	Palm Desert	Shafter
Chula Vista	Huntington Beach	Paramount	Soledad
Claremont	Huntington Park	Parlier	Sonoma
Clayton	Huron	Perris	Sonoma Co.
Clovis	Indian Wells	Pinole	South Gate
Cloverdale	Indio	Pismo Beach	South Lake Tahoe
Coalinga	Industry	Pittsburg	South Pasadena
Colton	Inglewood	Pomona	S. San Francisco
Compton	Irwindale	Port Hueneme	Suisun City
Contra Costa Co.	Kingsburg	Poway	Taft
Corona	Lake Elsinore	Rancho Mirage	Temple City
Coronado	Lakeport	Rancho Palos Verdes	Torrance
Costa Mesa	La Canada Flintridge	Redding	Tracy
Cotati	La Mirada	Redlands	Union City
Covina	La Palma	Redondo Beach	Upland
Crescent City	La Puente	Rialto	Ventura
Cudahy	Lancaster	Richmond	Victorville
Daly City	Lemoore	Rio Vista	Visalia
Dana Point	Livermore	Riverside	Vista
Danville	Loma Linda	Rohnert Park	Waco
Davis	Lompoc	Rosemead	Walnut
Delano	Long Beach	Sacramento	Walnut Creek
Desert Hot Springs	Los Angeles	Salinas	Watsonville
Dixon	Lynwood	San Bernardino Co.	West Covina
Downey	Manteca	San Bruno	Westminster
Duarte	Marina	San Carlos	West Sacramento
East Palo Alto	Marysville	San Diego	Willits
Emeryville	Maywood	San Diego Co.	Woodland
Encinitas	Menlo Park	San Dimas	Yuba City
Fairfield	Merced	San Fernando	
Fillmore	Millbrae		

5/5/92  
DATE

IV-C.4  
AGENDA ITEM #

( ) APPROVED ( ) DENIED

( ) CONTINUED TO \_\_\_\_\_

To: RICHARD J. RAMIREZ, EXECUTIVE DIRECTOR  
From: ROGER ELKIN, ECONOMIC DEVELOPMENT MANAGER *rit*  
Subject: UCSB ECONOMIC FORECAST PROJECT  
Date: MAY 5, 1992

Needs: For the Agency to consider a request by the UCSB Economic Forecast Project that the Redevelopment Agency of the City of Paso Robles support the Project through participation as a sponsor.

- Facts:
1. The University of California at Santa Barbara has, since 1981, provided businesses and government agencies in Santa Barbara County with up-to-date economic information through a University based Economic Forecast Project. Attached is a detailed description of the data produced and its method of operation.
  2. The Project is required to be a financially independent research program of the University. All monies come from community support.
  3. The Project's Director, Mark Schneipp, has been requested by San Luis Obispo County businesses to develop a similar model specifically for San Luis Obispo County. The initial startup cost is projected to be \$30,000. \$15,250 has been collected from nine sponsors, including:
    1. Ticor Title Company
    2. Cuesta Title
    3. Mid State Bank
    4. ARCS Mortgage
    5. LKS Group
    6. Pismo Coast Board of Realtors
    7. Heritage Oaks Bank
    8. Pacific Coast Homes
    9. Paso Robles Chamber of Commerce
  4. The services received for a \$2500 annual sponsorship includes 6 admissions to the Annual Forecast Seminar, 25 copies of the *Annual Economic Outlook*, recognition in the *Economic Outlook* and \$2000 of consulting services. These services include customized reports, presentations to groups and specialized forecasts. This is the minimum level of sponsorship which would permit all of the Council to participate in the annual seminar. Attached is a summary of the benefits of each level of sponsorship.

**Analysis and  
Conclusion:**

The data provided through such a cooperative effort would be in greater detail and at a lesser cost than could be produced by an independent, City financed market or demographic study. In addition, the information is updated regularly, without additional costs. Most of urban California has had easy access to such data for many years but, due to its size and rural nature, San Luis Obispo County has been excluded from other data collection systems. Attachment "B" includes a list of the data which is currently being developed for San Luis Obispo County. Much of this data has not previously been available at any price.

Through sponsorship, City officials and staff will have the opportunity to attend the annual Forecast Seminar and to receive copies of the annual *Economic Outlook* produced by the Project staff. The level of sponsorship determines the number of attendees and other specialized services available. There is tremendous benefit to the Agency/Council to have an indepth understanding of the local and regional economy and its implications for the future.

**Policy Reference:**

None.

**Fiscal Impact:**

Based on an Advisory Sponsorship, the impact to the existing Redevelopment Agency budget would be \$2,500.

**Options:**

1. That the Agency take action to support the UCSB Economic Forecast Project as an Advisory Sponsor for the amount of \$2500.
2. Amend, reject or modify the above option(s).

**Sponsor Benefits by Sponsorship Level  
San Luis Obispo County Economic Forecast**

**1. Corporate Sponsor (\$750)**

**Includes 2 admissions to the Annual Forecast Seminar, 4 copies of the Annual Economic Outlook, recognition in the Economic Outlook, \$600 in special services credits**

**2. Business Associate (\$1,500)**

**Includes 4 admissions to the Annual Forecast Seminar, 10 copies of the Annual Economic Outlook, recognition in the Economic Outlook, \$1,200 in special services credits**

**3. Advisory Sponsor (\$2,500)**

**Includes 6 admissions to the Annual Forecast Seminar, 25 copies of the Annual Economic Outlook, recognition in the Economic Outlook, \$2,000 in special services credits**

**4. Leading Sponsor (\$5,000)**

**Includes 10 admissions to the Annual Forecast Seminar, 50 copies of the Annual Economic Outlook, recognition in the Economic Outlook, \$4,000 in special services credits**

**5. Founding Sponsor (\$10,000)**

**Includes 20 admissions to the Annual Forecast Seminar, 100 copies of the Annual Economic Outlook, special recognition in the Economic Outlook, \$9,000 in special services credits**

**DATABASE DIRECTORY**  
**ECONOMIC FORECAST PROJECT**  
**1991**

<u>Data Series</u>	<u>Period</u>	<u>Jurisdiction</u>
Employment by 2-digit SIC sector	1967-1991	County
Wages & Salaries by Industry (by 2-digit SIC)	1967-1991	County
Retail Sales by type <sup>1</sup>	1965-1991	County, City, State
Labor Force, Household Survey Employment, and Unemployment	1967-1991	County, State
Population, Births, Deaths, Net Immigration	1965-1991	County, State
Population Age Distributions (US Census)	1980, 1990	City, County
Personal Income by Component	1967-1991	County, State
Gross County Product by Industry	1972-1991	County
Housing Stock by type	1967-1991 1970-1991	County City
Residential Sales and Prices by Zipcode	1988-1991	County, State
Housing Vacancy Rate	1970-1991	County, City
Housing Vacancy Rate by Zipcode	1978-1986	County
Residential Building Permits and Valuation	1967-1991	County, City, State

<sup>1</sup>See Appendix A.

**Commercial and Industrial Building  
Permits and Valuation**

1967-1991

County, City, State

Series

Period<sup>2</sup>

Jurisdiction<sup>3</sup>

Agricultural Sales by Crop

1969-1990

County, State

Inflation

1965-1991

Southern CA  
Northern CA

Home mortgage rates

1967-1991

Southern CA

High Technology and Aerospace  
Employment, Wages, firms

1970-1991

County

Grape Acreage, and Grape  
Harvest

1979-1990

County

Rainfall, Average Temperature

1967-1991

County

In addition to the local series, the database includes all UCLA and State Dept of Finance historic information on the California Economy, and many U.S. economic and demographic indicators, 1960-1990, and all UCLA projections.

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<sup>2</sup>All data is continuous time series in annual or quarterly frequency, or both. Each series is updated and revised annually. Data on jobs, unemployment, retail sales, housing sales and prices, the consumer price level, building statistics, and water use and prices is updated quarterly, but can be updated monthly is requested.

<sup>3</sup> "County" refers to San Luis Obispo County, Santa Barbara County, and Ventura County. "City" refers to any of the cities within these counties. For "State" designated series, we have data for all counties in California.