

**COUNTY OF SONOMA  
AGENDA ITEM  
SUMMARY REPORT**

**Clerk of the Board Use Only**  
**Meeting Date** / / **Held Until** / /  
**Agenda Item No:** \_\_\_\_\_ **Agenda Item No:** \_\_\_\_\_

**Department:**  
**Community Development Commission**  
**Permit & Resource Management Dept.**

( ) **4/5 Vote Required**

**Contact:**  
 Kathleen H. Kane

**Phone:**  
 565-7505

**Board/Comm. Date:** 5-12-09

**Deadline for Board Action:**

**AGENDA SHORT TITLE:** Funding for PRMD Work on Redevelopment Projects

**REQUESTED BOARD/COMMISSION ACTION:**

Concurrent Resolution of the Board of Supervisors (Board) and the Sonoma County Community Development Commission (Commission), in its capacity as the governing body of the Sonoma County Community Redevelopment Agency, authorizing the Director of Permit and Resource Management Department (PRMD) and the Executive Director of Commission to execute an Amendment to that certain Agreement by and between County and Commission dated June 18, 2007 to revise the Scope of Work for PRMD to assist in the review and consideration by the Planning Commission and the Board of the Russian River Redevelopment Plan Amendment and to increase the rates to be paid to PRMD for completion of the process for review and consideration of the Russian River Design Guidelines, and to increase the rates to be paid for completion of work if and when Board approves such increases in PRMD fees, and authorizing the Executive Director of Commission to transfer up to \$33,792 in Russian River Redevelopment Project Area funds to PRMD to pay for Plan Amendment work and to transfer additional funds as may be required pursuant to rate increases that may be approved by Board.

**CURRENT FISCAL YEAR FINANCIAL IMPACT**

**EXPENDITURES**

**ADD'L FUNDS REQUIRING BOARD**

**Estimated Cost** \$

**Contingencies** \$  
 (Fund Name:)

**Amount Budgeted** \$

**Unanticipated Revenue** \$  
 (Source:)

**Other Avail Approp.** \$  
 (Explain below)

**Other Transfer(s)** \$  
 (Source:)

**Additional Requested:** \$

**Add'l Funds Requested:** \$

**Explanation (if required):** Funds are available from FY 08-09 Russian River RPA non-housing funds.

**Prior Board Action(s):**

**7/11/00:** Board and Commission adopted Resolution 00-0851 establishing and directing the RRROC to develop Design Guidelines for the Russian River Redevelopment Project Area.

**12/14/04:** Commission adopted Resolution 04-1152 approving \$80,445 for development of Design Guidelines for the Project Area.

**6/5/07:** Board/Commission adopted Resolution 07-0443, including \$50,580 in Russian River Redevelopment funds for PRMD to assist in process for review and consideration of Russian River Design Guidelines.

**4/1/08:** Board adopted Resolution 08-0289 established policy limiting amount of tax increment that may be allocated to the Russian River Redevelopment Project to \$300 million cumulatively, and \$8 million annually.

**7/8/08:** Board approved County Implementation Plan, including Project 14, Russian River Plan Amendment.

**Alternatives - Results of Non-Approval:**

The Board and Commission could choose to fund PRMD staff costs from another source of funds.

**Background:**

Russian River Redevelopment Plan Amendment

On July 11, 2000, the Board of Supervisors adopted Ordinance No. 5249, which approved the Russian River Redevelopment Plan and established the Russian River Redevelopment Project Area (RR RPA). As permitted by California Community Redevelopment Law (CRL) for redevelopment projects established after 1993, the Plan did not include a cap on the maximum amount of property tax increment revenue that may be collected by the RR RPA for redevelopment activities.

Property tax increment that flows to redevelopment projects would otherwise be allocated to the County general fund and to special districts providing services in the redevelopment project areas. Every \$8 million in tax increment that is allocated to the RR RPA results in a loss to the County general fund of approximately \$1 million. The RR RPA received approximately \$4.3 million in tax increment for FY 08-09. The amount of tax increment revenue allocated to the RR RPA will increase annually in proportion to the increase in the assessed valuation of all properties within the project area, and will continue through the end of the RR RPA's effective life in FY 2029-30, or through FY 2044-45 if needed to repay outstanding debt. Financial projections indicate that the tax increment allocated to the RR RPA could exceed \$50 million annually and \$900 million cumulatively by FY 2044-45.

On April 1, 2008, the Board established a policy to limit the amount of tax increment that may be allocated to the RR RPA to \$300 million cumulatively, and \$8 million per year. On July 8, 2008, the Board approved the Implementation Plan for the County's Strategic Plan, including Project #14, which directed Community Development Commission (CDC) staff to prepare an Amended and Restated Redevelopment Plan for the RR RPA to formalize the annual and cumulative caps on the maximum amount of tax increment revenue that can be collected. Several steps in the preparation and adoption of a Plan Amendment in compliance with CRL require consultation with, and recommendation by, the Planning Commission, prior to final approval of the Plan Amendment by the Board. Review and consideration of the Plan Amendment by the Planning Commission and the Board requires the assistance of Permit and Resource Management Department (PRMD) staff. As indicated in the attached Amendment to Agreement, PRMD estimates the cost to perform this work at \$33,792.

Russian River Design Guidelines

On July 11, 2000, the Board adopted Resolution 00-0851, which established the Russian River Redevelopment Oversight Committee (RRROC), and tasked the RRROC with development of community design standards and/or guidelines for the Project Area, working with CDC and PRMD staff. On December 14, 2004, the Commission adopted Resolution No. 04-1152 approving \$80,445 in Russian River Redevelopment funds to pay RRM Design Group to work with the RRROC and staff to develop Design

**Attachments:**

Concurrent Resolution  
First Amendment to Agreement between PRMD and Commission

**On File With Clerk:**

**CLERK OF THE BOARD USE ONLY**

**Board Action** (If other than "Requested")

**Vote:**

**Background:** (Continued)

Guidelines for the Project Area. On June 5, 2007, the Board and Commission approved \$50,580 for PRMD staff to assist in the process for review and consideration of the Design Guidelines. Some PRMD staff-level review work has been completed, and the draft Guidelines are now being prepared for review and consideration by the Planning Commission and Board. During the two years since approval of the Agreement to perform this work, the Board has adopted increases in the rates for PRMD planning tasks. CDC and PRMD desire to amend the Agreement to increase PRMD compensation to equal current rates, as shown in the attached Amendment to Agreement, and to provide for future rates to be increased automatically when the Board approves increases to PRMD's rates. Sufficient funds are available from the FY 08-09 Russian River Redevelopment Project Area non-housing funds.

Concurrent Resolution

The attached Concurrent Resolution:

- 1) Authorizes the Directors of PRMD and CDC to execute an Amendment to Agreement to revise the Scope of Work for PRMD to assist in the process for review and consideration by the Planning Commission and the Board of the Russian River Redevelopment Plan Amendment, and to increase the rates to be paid to PRMD for completion of the process for review and consideration of the Russian River Design Guidelines.
- 2) Authorizes the Executive Director of Commission to transfer up to \$33,792 in Russian River Redevelopment Project Area non-housing funds to PRMD to pay for the required Plan Amendment work.
- 3) Authorizes the Executive Director of Commission to transfer additional Russian River Redevelopment Project Area non-housing funds as may be required pursuant to PRMD rate increases that may be approved by Board before completion of the Plan Amendment and Design Guidelines approval processes.