MEMORANDUM

OFFICE OF THE

BOARD OF SUPERVISORS

COUNTY OF PLACER

TO:

Honorable Board of Supervisors

FROM:

Jennifer Montgomery, Supervisor District #5

DATE:

February 14, 2012

SUBJECT:

Propose Legislation Regarding Redevelopment Successor Agencies to Retain

Real Property in the Tahoe Basin

ACTION REQUESTED

Amend the 2012 Placer County Legislative Platform to support or sponsor legislation and advocacy efforts as identified in this staff report that would result in exemption of the Successor Agency of the former Placer County Redevelopment Agency from sections of AB 1X-26 requiring disposal of assets within the Tahoe Basin, and from requirements to provide compensation to other taxing entities.

BACKGROUND

With the recent ruling by the California Supreme Court and implementation of AB1X-26, all Redevelopment Agencies in California are dissolved effective February 1, 2012. The requirement for divestiture of all the former Redevelopment Agency assets presents a concern for Lake Tahoe protection under: (1) the Federal Clean Water Act requirement, as administered by the Lahontan Regional Water Quality Control Board and (2) the strict environmental thresholds administered by the bi-state Tahoe Regional Planning Agency (TRPA) through the Environmental Improvement Program (EIP) projects.

The Lahontan Regional Water Quality Control Board (Water Board) is the regulatory agency responsible for developing and implementing the Water Quality Control Plan for the Lahontan Region (Basin Plan). This plan establishes the Lake Tahoe Total Maximum Daily Load (TMDL) to halt Lake Tahoe's transparency decline and restore transparency to meet the established clarity standard for this lake; designated as an "Outstanding National Resource Water." TRPA regulates water quality based on TMDL standards, as well as other standards in the Tahoe basin, including those for air quality, vehicle trips, scenic, noise, soils, stream environment zones, vegetation, wildlife, and fisheries. TRPA has developed the EIP project list intended to implement attainment of these standards, called thresholds. Many of the projects required in Placer County have been funded primarily with Redevelopment Agency resources. Most of these EIP projects accomplish environmental improvements in more than one threshold area.

DISCUSSION

Over the past several years, the County has worked with regional partners toward meeting the TMDL and TRPA required threshold standards by completing several projects in the North Lake Tahoe area. As part of a long term plan for the North Lake Tahoe Project Area, the former Placer County Redevelopment Agency invested millions of dollars in community revitalizations, economic development, public facilities and infrastructure improvements, and affordable housing projects and programs. These efforts assist in satisfying requirements to achieve water quality and other standards unique to Lake Tahoe. It is important that the County consider legislation that would allow continued efforts to preserve the Lake Tahoe environment, and would request an exemption from AB1X-26

E-mail: <u>bos@placer.ca.gov</u> – Web: <u>www.placer.ca.gov/bos</u>

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which requires divestiture of these Lake Tahoe properties and the requirement to provide compensation to other taxing entities. We can take action to ensure that Placer County as the Successor Agency to the former Redevelopment Agency is able to retain the properties in the North Lake Tahoe project area without cost to the County. Attachment A provides the list of properties.

I request the 2012 Placer County Legislative Platform be amended as follows:

New Proposal

"Proposal__: "Allow the Successor Agency of the former Placer County Redevelopment agency to retain real property or easements that were purchased or constructed explicitly for public purposes to satisfy environmental mitigation requirements as established under regulatory authority of statute and to satisfy an environmental improvement project approved by a regional body responsible for "Outstanding National Resource Water", or for the purposes of accomplishing related infrastructure improvements for said real property, and provide for the Successor Agency to be exempt from disposing of such assets and compensating other taxing entities."

Problem: Over the past several years, the County has worked with regional partners toward meeting the Total Maximum Daily Load standards and Tahoe Regional Planning Agency required threshold standards by completing several projects in the North Lake Tahoe area. As part of a long term plan for the North Lake Tahoe Project Area, the former Placer County Redevelopment Agency invested millions of dollars in community revitalizations, economic development, public facilities and infrastructure improvements, and affordable housing projects and programs. These efforts assist in satisfying requirements set to achieve water quality and other standards unique to Lake Tahoe, such as air quality, vehicle trips, scenic, noise, soils, stream environment zones, vegetation, wildlife, and fisheries.

ENVIRONMENTAL

This project is exempt from environmental review under California Environmental Quality Act Guidelines section 15378(b) (1).

FISCAL IMPACT

The Tahoe properties and properties of interest for this exemption have been purchased with bonds and Property Tax Increment for a total amount of approximately \$10.8 million. \$5.1 million was from Property Tax Increment.

While we do not have appraisals at this time regarding current value of the properties, should Placer County have to purchase them through the liquidation process in order to secure environmental benefits, the costs would be substantial. There are many competing demands for the County's general purpose use dollars and it would seem unrealistic that the residents of the County would expect their tax payer dollars pay for these properties again as \$5.1 million of property tax dollars already funded the purchase.

There would be ongoing maintenance costs associated with these properties should the County retain ownership. For example, the maintenance cost for the existing parking lots is approximately \$45,000 annually. Further, if this legislation is passed the County General Fund, Library, and Fire Control Fund may be impacted if funds that would have otherwise been redistributed to any taxing entity, including Placer County, are not available for distribution.

Attachment A

Placer County former Redevelopment Agency Property Report North Lake Tahoe

Vacant Land

Brockway, Kings Beach – 2 parcels
North Lake Blvd, Kings Beach – 14 parcels
Deer/Rainbow, Kings Beach – 1 parcel

Parking Lot

Jackpine, Tahoe City – 1 parcel Minnow Avenue, Kings Beach – 3 parcels Brook Avenue, Kings Beach – 1 parcel