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BY: _____

Successor Agency

to the Dissolved Lompoc Redevelopment Agency

June 1, 2012

Honorable Judge Brian Hill
Presiding Judge of the Superior Court of Santa Barbara County
1100 Anacapa Street
Santa Barbara, CA 93101

Honorable Judge Hill:

The 2011-12 Santa Barbara County Civil Grand Jury recently released its report entitled *Requiem for Redevelopment*. The City of Lompoc, acting as the Successor Agency to the (dissolved) former Lompoc Redevelopment Agency (Successor Agency), is named as an affected agency and is required to respond to applicable findings and recommendations within 90 days of the receipt of the report by the City.

Following are the Successor Agency's responses to the individual applicable findings and recommendations in accordance with *California Penal Code, Section 933.05(b)(2)*:

Finding 4: Lompoc: over the past 11 years spent \$24 million; received \$18.6 million in Tax Increment; has \$43.8 million in outstanding long-term debt and obligations.

Successor Agency Response: The Successor Agency partially disagrees with the finding. While the estimated amounts stated in this finding are reasonably close to the actual figures, we include the following specific data gathered from our records. For the tax increment and expenditures, the audited financial statements are the source records. For the outstanding long-term debt and obligations, the Preliminary Enforceable Obligations Payment Schedule, the approved Recognized Obligations Payment Schedule and the June 30, 2010 audited financial statements are the source records.

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| Expenditures (July 1, 1999 to June 30, 2010): | \$23,987,206 |
| Revenues received (July 1, 1999 to June 30, 2010): | 18,610,060 |
| Outstanding debt (per June 30, 2010 audited financial statements): | 16,066,619 |
| Preliminary Enforceable Obligations Payment Schedule: | 40,098,966 |
| Approved Required Obligations Payment Schedule (to June 30): | 27,783,169 |

The Oversight Board for the Successor Agency to the (dissolved) former Lompoc Redevelopment Agency approved the Successor Agency's Recognized Obligation Payment Schedule (ROPS) for the periods of January 1, 2012 to June 30, 2012, and July 1, 2012 to December 31, 2012, on May 21, 2012. The California State Department of Finance approved both ROPS on May 25, 2012.

Finding 8: Detailed data are not available on the amount of money spent on individual projects, the recipients of this money, or how these projects have contributed to eliminating blight.

Successor Agency Response: The Successor Agency partially disagrees with the finding. Detailed data regarding Redevelopment funding on past individual projects, including housing and non-housing projects, and the recipients of the money expended, is available in the former RDA's Annual Financial Reports. The information accompanies the Redevelopment Agency's Annual Reports, which are posted on the City website. The Annual Reports are located on the City Council Agenda page for the second meeting of each December, when the Agency Board/City Council approves the report to be submitted to the state. The Successor Agency will post these past Annual Reports to the Successor Agency's website by June 30, 2012, so that they are more easily accessible.

Recommendation 1: That, all successor agencies provide on their websites the following for projects funded, but not completed:

1. List of all projects funded (completed or not) and the designated blight they eliminated.
2. The amounts spent (or to be spent) on each individual project.
3. The names and locations of recipients of over \$25,000 associated with each project.
4. Administrative costs and professional services associated with each project.
5. Amounts of principal and interest payments associated with each project.

Successor Agency Response: The recommendation has not yet been implemented, but will be implemented by June 30, 2012.

Recommendation 2a: That all successor agencies provide on their websites their plans for defining and eliminating blight in the absence of RDAs.

Successor Agency Response: The recommendation will not be implemented because it is not warranted, nor is it reasonable.

With the elimination of the former Lompoc Redevelopment Agency, significant tax revenues previously used to improve the Agency's Project Area and eliminate blight were lost. That, in combination with the general downturn in the economy and the resultant drop in overall tax revenues realized by the City will make it challenging for the community to continue to expend monies specifically aimed at improving blighted communities. Prior to their elimination, all redevelopment agencies, including the former Lompoc Redevelopment Agency, were specifically required, by the California Redevelopment Law, to define existing blighted conditions within their project areas and articulate the mechanisms and projects they intended to carry out in order to eliminate such blight. While that was required by law of former RDAs, there are no such legal requirements of cities, as separate legal entities. The Successor Agency, to

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the extent permitted by AB X1 26, and the City will continue to support the economic vitality of their community to the best of its ability based upon available resources, including funding sources such as the Federal Community Development Block Grant program. However, developing specific plans for defining and eliminating blight in the absence of RDAs, and posting such plans on the City's website, are not current requirements of the City or Successor Agency, nor feasible in these uncertain times.

Recommendation 2b: That all successor agencies provide on their websites their plans for providing low-income and moderate-income housing in the absence of RDAs.

Successor Agency Response: The City of Lompoc has outlined their plans for providing lower- and moderate-income housing in the City's Housing Element Implementation Plan, which was adopted on October 19, 2010, by City Resolution No. 5673. The plan currently incorporates former Redevelopment Agency funding as one of the sources of revenues. Agency funding is not currently available; however, through Tax Increment, the Successor Housing Agency (City of Lompoc) will continue to utilize the remaining housing funds and future loan recapture for assisting affordable housing efforts in the community. The Housing Element can be found on the City's Website at:

http://www1.cityoflompoc.com/departments/comdev/Environmental/GeneralPlan/Housing_Element-FINAL_10.19.2010.pdf

Recommendation 3: That all successor agencies provide on their websites debt retirement schedules.

Successor Agency Response: The recommendation has not been implemented but will be implemented in the future.

In response to this recommendation, the Successor Agency is currently developing the website pages and the detailed information to be posted on the developed web pages of the City's website. The page of the City of Lompoc website devoted to this material is located at:

<http://www.cityoflompoc.com/comdev/redev.htm>

The anticipated date of the posting of this information to the City's website is June 15, 2012.

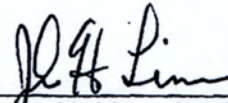
The debt service schedules (that agree with the Redevelopment Agency's June 30, 2010 audited financial statements) anticipated to be posted includes:

- 2004 Tax Allocation Bond
- 2010 Tax Allocation Bond
- (3) City loans payable
- Capital lease payable
- California Housing Finance Agency loan payable

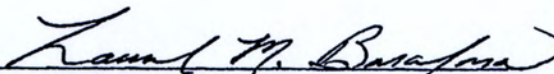
For additional information or questions regarding this response, please contact Linda Wertman, Redevelopment Coordinator of the Successor Agency of the (dissolved) former Lompoc Redevelopment Agency at (805) 875-8278, or via e-mail at l_wertman@ci.lompoc.ca.us, or Brad Wilkie, Management Services Director of the City of Lompoc at (805) 875-8271, or via e-mail at b_wilkie@ci.lompoc.ca.us.

The above concludes the Successor Agency's response to the Grand Jury's Report on *Requiem for Redevelopment*. The Successor Agency respectfully submits this response to the Grand Jury and would like to thank you again for all your efforts associated with this 2011-2012 Grand Jury Report.

Respectfully submitted,



John H. Linn, Chair
Successor Agency Board



Laurel M. Barcelona, Executive Director
Successor Agency

C: Santa Barbara County Grand Jury
County Administration Building
1100 Anacapa Street
Santa Barbara, CA 93101

Ted Sten, Foreperson
2011-2012 Santa Barbara County Grand Jury
1100 Anacapa Street
Santa Barbara, CA 93101