

Greetings from the Manager!

As you have no doubt noticed, I have primarily used this column to share information about city operations. I recently received some (much appreciated) advice as to how I might make things more interesting by injecting more personality into my writing. Good feedback! Healdsburg is a special community. As such, you should get to know city staff members. I recognize that it starts with me so here goes....

Pride in Public Service

Healdsburg employees recently participated in a regional training program developed cooperatively by management staff in Healdsburg, Santa Rosa, Sonoma and Rohnert Park. June 28th marked the graduation of the first Leadership Academy class. Congratulations to Tanya Potter, Debra Nelson, Todd Woolman, Jaime Licea, Katherine Ahlborn, David Cavanaugh and Scott Carter.

The loss of Redevelopment and what it means to Healdsburg

The Redevelopment Agency of the City of Healdsburg (RDA) was formed in 1981. At the time of formation property tax values for all parcels within the [RDA boundaries](#) were frozen. As property values increased, taxes increased; the difference between the frozen property value and new assessed value is referred to as “tax increment” and it is the tax increment that provided funding for the RDA. Redevelopment allowed Healdsburg to retain the property taxes generated within the Redevelopment Area boundary to pay for specific improvements and projects.

Initially the RDA focused on projects designed to revitalize downtown Healdsburg. Our success is evident when you compare the Healdsburg of yesteryear with what we have today. Projects completed through redevelopment include: Plaza upgrades, construction of the West Plaza parking lot, infrastructure improvements and partnerships for the construction of commercial retail/office and hotel space along Healdsburg Avenue. Once the downtown area was established, redevelopment monies were used to address housing and social needs. The Alliance Medical Center was constructed using RDA funds, as were affordable housing units throughout the community; Recreation and Giorgi parks were rehabilitated. We also used the RDA to fund local economic development efforts, including fee subsidies, façade improvements and a contract with Chamber of Commerce to promote tourism and economic development.

In 2011 Sacramento legislators passed [AB 26](#), a bill calling for the dissolution of redevelopment agencies throughout the state. This was a calculated move undertaken to offset the State’s budget deficit by taking (absconding with!?) money from cities and counties. Cities objected; councilmembers appealed to legislators; city staffs and attorneys strategized; litigation ensued. In late December, the State Supreme Court issued its ruling on the legality of the legislation that was passed to extort money from local redevelopment agencies. The Court ruled that AB 1x26 was legal and that AB 27 (the bill that allowed redevelopment agencies to continue to exist if they agreed to pay “ransom” to the State) was not legal. The bottom line of the ruling was that more than 400 redevelopment agencies in California were dissolved on February 1, 2012.

The elimination of redevelopment has immediate and long-term negative implications for our community. The RDA has brought in millions of tax increment dollars each year to be used for economic development, capital projects, and affordable housing activities in Healdsburg. That money will now be redistributed to other taxing entities, with the City netting only a very small fraction of the revenue. City staff and overhead costs that are currently allocated to the RDA are now covered by other City funds – a challenge given the fiscal limitations of the general fund.

Subsequent to the dissolution of the RDA, the City Council adopted an “enforceable obligation payment schedule” for the RDA. This payment schedule identifies all of the upcoming and on-going expenses that the City believes should be paid with RDA revenues pursuant to AB 1x26. All proposed expenditures must be reviewed and approved by an independent auditor and by an Oversight Board. Once approved, the recommendations go to the state Department of Finance (DOF) for review and approval. Thus far, we have been unsuccessful in obtaining DOF approval for anything. Suffice it to say we are fighting to keep bond proceeds and other redevelopment revenue that will enable us to continue moving forward with projects.

Putting all of the legal and procedural issues aside, the loss of redevelopment in Healdsburg has staggering repercussions. Among the projects we are fighting to retain are: Memorial Bridge, water reclamation, downtown streetscape, 5-way roundabout and related central Healdsburg Avenue infrastructure improvements, acquisition of Foss Creek School, and installation of utilities south of the Russian River.

The legislature recently passed [AB 1484](#) as a clean-up Bill to AB 1x26. This bill is intended to provide clarity regarding dissolution activities. Does it? We don't yet know. It will take some time to review the language and determine potential impacts to Healdsburg. The entire situation with redevelopment is incredibly frustrating! What's more, a bad situation is made worse due to the lack of clarity in the legislation as this has resulted in speculation, debate and numerous interpretations. Please stay tuned.....

[Link to Department of Finance AB26 information page](#)

Question of the Month: What's going on with the city-wide WiFi system?

The installation was near completion when our IT staff discovered the WiFi network was not working as designed. Motorola realized they had made some significant errors in the design and execution because it did not conduct a proper site survey. Motorola is currently working on design changes to correct these problems. Unfortunately we do not have a time line from them as to when the network will be functioning as specified in the original project scope. Staff hopes to receive a plan that will outline the fixes and timeline for implementation within the next week or so. Note: The city has not made any payments (nor will we!) unless and until significant progress has been made to complete the scope of work contained in our contract. In the meantime, please accept my apologies for the delay.