

**PLACER COUNTY**  
**REDEVELOPMENT AGENCY**  
**MEMORANDUM**

**TO:** Honorable Members of the Redevelopment Agency Board  
**FROM:** Richard Colwell, Chief Assistant CEO-Redevelopment Director  
Rae James, Deputy Director  
**DATE:** June 26, 2007  
**SUBJECT:** Adopt a Resolution and Approve the Redevelopment Agency Proposed FY 2007-2008 Budget in the Amount of \$40,076,903.

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**ACTION REQUESTED**

Adopt a resolution and approve the Redevelopment Agency (Agency) proposed FY 2007-2008 budget in the amount of \$40,076,903.

**BACKGROUND**

Since your Board approved redevelopment project areas in North Lake Tahoe, North Auburn, and the Sunset Industrial Area, staff has progressed from addressing the administrative, infrastructure, commercial, housing, and community involvement issues involved in the start-up of the Agency, to full implementation of a work program. Over the past fiscal year Agency staff and County Departments under contract to the Agency, have successfully completed several major projects and studies relative to both economic development and affordable housing within the three project areas. Additionally, in FY 2007 the Agency issued its first tax increment bond sale and received net proceeds of \$23,960,890. This year's redevelopment programs will fund the implementation of twenty-two programs including several major projects. Furthermore, in accordance with State of California requirements, the Agency has determined that planning and administrative expenses are necessary to support the production, improvement, and preservation of low and moderate income housing. It is now necessary for your Board to approve the Agency's proposed FY 2007-2008 Budget.

**FISCAL IMPACT**

There is no fiscal impact on the General Fund. The proposed FY 2007-2008 budget is fully funded by a combination of tax increment, bond proceeds, and state and federal funding.

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**EXPANDED BACKGROUND:** Since your Board adopted redevelopment project areas in North Lake Tahoe, North Auburn, and the Sunset Industrial Area, staff has entered into a full implementation of the work program. As you are aware, initially the Agency was engaged commissioning studies and reports that would identify its next steps. Over the past fiscal year, Agency staff and County Departments under contract to the Agency have successfully completed several projects within the three project areas relative to commercial development, infrastructure, and affordable housing. During FY 2007-2008, the Agency will fund the implementation of twenty-two programs and several major commercial and housing projects based on studies and strategies completed and approved by your board.

These projects and programs were funded with the issuance of the Agency's first tax increment bond as well as its traditional funding sources. The Agency received a net of \$23,960,890 from the August 2006 bond sale. The issuance of bonds allows the Agency to accelerate much needed community revitalization in its three project areas that otherwise could take another ten years to accomplish if it continued to rely on incremental receipts.

During the upcoming budget year, the Agency will continue to focus its efforts on: 1) the acquisition and construction of public parking lots; 2) Tahoe area demonstration projects; 3) environmental cleanup of property located in key commercial corridors; 4) public infrastructure needed to encourage private investment; 5) the support needed to construct workforce housing; and 6) pursuing grants and loans to leverage Agency funds. The Agency will continue to provide management of countywide housing programs and related projects. Additionally, it will continue to work in close cooperation with several supporting County Departments, including the Office of Economic Development, County Counsel, the Community Development Resource Agency, the Department of Public Works, and the Department of Health and Human Services.

Tax increment (net of pass throughs to local agencies) from the three project areas is projected to increase from \$6,328,104 (FY 2006-2007 estimated actual) to \$6,581,228 in FY 2007-2008, an increase of 4%.

The Agency's FY 2007-2008 proposed budget is \$40,076,903 (including state and private loans). Included in the expenditures is \$19,196,742 as a designated reserve for current projects with costs that will carry over into the following fiscal year.

The Agency is also responsible for securing and managing several state economic and housing grants and loans including California Infrastructure Bank and Community Development Block Grant (CDBG) Programs as well as the County's Housing Trust Fund, which together add another \$239,109 to the Agency's work program. In accordance with State of California requirements, the Agency has determined that planning and administrative expenses are necessary to support the production, improvement, and preservation of low and moderate income housing.

In summary, the Agency's proposed FY 2007-2008 budget encompasses projects and programs that are spread across three distinct project areas. Each area requires separate funds and accounting as well as reporting obligations to the State. The work plan to be funded by the Agency's proposed FY 2007-2008 budget includes the twenty-two programs presented on the following pages.

## **FY 2007-2008 WORK PROGRAM**

### **NORTH LAKE TAHOE PROJECT AREA (\$25,999,551)**

#### **NORTH LAKE TAHOE—COMMERCIAL DEVELOPMENT PROGRAM**

1. Tahoe City Commercial Development Activities—The upcoming FY 2007-2008 work program includes construction of a major parking structure as well as implementation of ongoing projects. Development of gateway monuments, commercial loan and façade programs, and other community support programs continue to be funded in this proposed work program. The Agency has budgeted \$3,740,399 for the implementation projects identified in the project area's strategy for the current budget year. The individual activities under this program are summarized as follows:
  - Site clearance, construction activities, and fund reserves associated with the Tahoe City Marina Parking Structure
  - Support of public signage and Main Street Programs
  - Support for proposed demonstration project locations
  - Façade and low-interest commercial revitalization loan programs
  - Administrative oversight and bond debt repayment
  
2. Kings Beach/Tahoe Vista Commercial Development Activities—The FY 2007-2008 work program in Kings Beach/Tahoe Vista continues to pursue and implement initiatives identified in the updated 2006 Implementation Plan. This budget provides \$2,559,851 for community gateway development and demonstration projects identified as critical to the community revitalization of Kings Beach including the following project support activities:

- Support of gateway entry signage and Main Street Programs
  - Low-interest commercial revitalization loan programs
  - Administrative oversight and bond debt repayment
3. Kings Beach Core Improvement Project—The Kings Beach Commercial Core Improvement Project, led by the Department of Public Works, is in the midst of the environmental review process. The Agency joins Caltrans, the Tahoe Regional Planning Agency, and the North Lake Tahoe Resort Association as financial partners. The project involves traffic controls, drainage controls, streetscape, and public parking. Agency funds in the amount of \$1,801,888 will be used over the next year to support this project. This includes the construction of the Minnow and Salmon public parking lots in Kings Beach.
  4. Kings Beach Mixed-Use Development—As a result of moving forward with the implementation of demonstration projects that will require amending the TRPA Code of Ordinances and the County's Community Plan, the Agency has budgeted \$298,709 in support of mixed-use developments.
  5. Reserves—Monies in the amount of \$10,074,340 have been set aside for use in future years for activities related to the acquisition and design of the Deer & Rainbow public parking lot, as well as the construction of the Tahoe City Marina Public Parking Lot.

#### NORTH LAKE TAHOE—AFFORDABLE HOUSING PROGRAM

6. Housing Rehabilitation Program—This program provides housing rehabilitation and weatherization services to low income households in Kings Beach, Tahoe Vista, and Tahoe City. This year \$975,282 is reserved for rehabilitation loans and matching local funds consistent with the guidelines adopted by your Board. In the past ten years, approximately 41 units have benefited from this program.
7. New Multifamily Development—In the FY 2007-2008 budget, \$1,679,137 is earmarked for three affordable multifamily developments; Highlands Village a senior housing project, Vista Village a multi-family project, and a yet to be determined developer partnership in Kings Beach.
8. Homeownership Program—Agency staff will continue to provide technical assistance to the Planning Department for implementation of the Employee Housing Ordinance with the potential to create new home ownership and other ownership opportunities on infill parcels. Included is the cost of administering the housing program and the repayment of housing bond debt. In the FY 2007-2008 Budget, the Agency will support this program with \$665,850.
9. Reserves—Monies in the amount of \$4,196,095 have been set aside to be used in future years for workforce housing development.

## SUNSET INDUSTRIAL PROJECT AREA (\$3,267,289)

### SUNSET COMMERCIAL/INFRASTRUCTURE DEVELOPMENT PROGRAM

10. Infrastructure Project Improvements—The Sunset Industrial Project Area is deficient in transportation, drainage, and sewer system infrastructure. The area also needs a major highway interchange and bridge improvements at railway crossings. Funds will be used to assist in the development of this highway interchange, road improvements, and local utilities. The Agency has committed to a total funding of six million to assist in offsetting the cost of public and road improvements in the Sunset Industrial Area. Projects in the Sunset Industrial Project Area pay only 50% of traffic mitigation fees as an incentive to locate in this Project Area. Additionally, funds in the amount of \$255,295 have been identified to be used for administrative oversight and planning for future projects.
11. Highway 65 Interchange—Bond funds in the amount of \$2,049,912 are planned for design and construction of this major highway interchange which will facilitate access to several development locations.
12. Sewer Line Connection—Administrative planning activities are anticipated to begin in the budget year that will address existing sewer deficiencies and support new development.
13. Reserves—Public works construction spans many years. Monies have been identified in future budget years for public infrastructure financing activities that will promote commercial development such as a critical sewer connection.

### SUNSET AFFORDABLE HOUSING PROGRAM

14. Housing Funds Assistance—The Sunset Industrial Project Area is not zoned for residential uses, however, the Agency is required to set aside a portion of the tax increment dollars attributed to the Sunset Industrial Project Area for affordable housing in nearby communities. The Sunset Industrial Project Area Housing Set-Aside Funds are \$962,081 in this budget. These funds will be used as matching funds for outside funding or to directly fund the rehabilitation and development of affordable housing near the project area, or in the southern and western parts of the County, such as Sheridan, Foresthill, Dry Creek, or Granite Bay.



20. Countywide Housing Program—It is planned that housing assistance programs will span multiple budget years and \$1,868,936 has been identified as reserves for western County housing activities. Additionally, there is \$239,109 in Community Block Grant funds earmarked for this effort.

Included in each redevelopment area budget, the Agency spreads the costs of administrative oversight and the following general programs and activities:

21. Promote Community Outreach and Support Programs—This program encompasses all three project areas and will include the following housing and commercial development support activities:

- Marketing materials and brochures for promotion of specific programs such as façade loans and grants;
- Continuing and improving community outreach programs including establishing project area newsletters;
- Reimbursing the County for financial, planning, and management support directly related to the Agency’s work program; and
- Reporting on housing programs and providing technical support to other County Departments.

22. Submit Economic Development Over-the-Counter Applications—The Agency will continue to seek business applicants to apply for California loan funds needed for business expansion and building rehabilitation in unincorporated areas of Placer County.

**FISCAL IMPACT:** There is no fiscal impact to the General Fund. The Agency’s proposed FY 2007-2008 budget is fully funded by a combination of tax increment, bond proceeds, and state and federal funding.

**RECOMMENDATION:** Adopt a resolution and approve the Agency’s proposed FY 2007-2008 budget in the amount of \$40,076,903.

Respectfully submitted,

Richard Colwell  
Chief Assistant CEO – Redevelopment Director

Attachments: A – Agency Budget  
B – Proposed Indebtedness  
C – Summary Work Program  
Resolution

cc: Karin Schwab, Agency Counsel

ATTACHMENT A

PLACER COUNTY REDEVELOPMENT AGENCY  
FY 2007-2008

PROPOSED BUDGET SUMMARY

Revenues	N. Auburn 505-100	N. Auburn 505-300	Sunset 505-300	NT Bond 505-600	NA Bond 505-700	Total Capital Projects	N. Tahoe 504-100	N. Auburn 504-300	Sunset 504-300	General 504-400	CW Reg Bond 504-500	Total Housing	FY 07-08 Proposed Budget
Estimated Fund Balance	1,372,955	1,073,109	1,053,685	13,131,910	3,164,555	19,832,302	3,615,300	99,275	532,928	-	5,328,071	8,474,334	28,711,630
Fees, Incentives	2,906,491	655,378	4,721,571	-	-	4,883,333	1,013,276	231,566	479,893	-	-	1,702,895	6,581,228
Long-Term Debt Proceeds	975,733	1,432,000	-	-	-	2,407,733	-	-	-	-	-	-	2,407,733
Other Revenues	-	3,090,801	-	-	-	2,070,867	46,454	330	-	330,109	-	185,952	2,356,816
<b>Total FY 07-08 Revenue</b>	<b>3,971,334</b>	<b>5,176,582</b>	<b>1,221,524</b>	<b>-</b>	<b>-</b>	<b>9,371,430</b>	<b>1,693,690</b>	<b>231,935</b>	<b>439,093</b>	<b>239,109</b>	<b>-</b>	<b>1,992,847</b>	<b>11,865,277</b>
Available Revenues	5,351,273	5,265,791	2,305,809	13,131,910	3,164,555	19,209,732	4,107,310	281,680	962,081	239,109	5,328,071	10,868,771	49,076,903
Expenditures	N. Tahoe 505-100	N. Auburn 505-300	Sunset 505-300	NT Bond 505-600	NA Bond 505-700	Total Capital Projects	N. Tahoe 504-100	N. Auburn 504-300	Sunset 504-300	General 504-400	CW Reg Bond 504-500	Total Housing	FY 06-07 Revised Budget
Salaries & Supplies Benefits	510,937	170,791	95,588	143,457	20,655	890,364	503,900	171,678	209,315	230,649	-	863,782	1,754,113
Services & Supplies	3,378,214	4,140,075	137,376	2,065,606	2,622,846	12,254,467	180,063	28,248	109,431	8,440	-	326,202	15,680,669
Office Expenses	1,162,136	556,575	12,312	18,307	2,608	2,052,394	2,330,616	128,154	648,815	-	323,000	3,613,485	5,645,379
Fund	-	-	-	800,000	-	800,000	-	-	-	-	-	-	800,000
<b>Subtotal FY 07-08 Expenditures</b>	<b>5,351,277</b>	<b>4,266,902</b>	<b>155,276</b>	<b>3,057,570</b>	<b>3,648,977</b>	<b>16,071,012</b>	<b>2,795,560</b>	<b>281,680</b>	<b>962,081</b>	<b>239,109</b>	<b>535,000</b>	<b>4,403,130</b>	<b>29,850,161</b>
Disposited FY 07-08 Revenues (E, J, P)	-	-	-	-	-	-	1,311,961	-	-	-	-	6,065,032	19,192,742
<b>Grand Total Expenditures</b>	<b>5,351,277</b>	<b>4,266,902</b>	<b>155,276</b>	<b>3,057,570</b>	<b>3,648,977</b>	<b>16,071,012</b>	<b>4,107,310</b>	<b>281,680</b>	<b>962,081</b>	<b>239,109</b>	<b>5,328,071</b>	<b>10,868,771</b>	<b>49,076,903</b>

**ATTACHMENT B**

**PROPOSED INDEBTEDNESS**

Under Article XVI, Section 16 of the California Constitution and Health and Safety Code Section 33670, a redevelopment agency is able to receive tax increment until its debts are paid. The Agency files an annual Statement of Indebtedness with the County Auditor by October 1 of each year to report its indebtedness and thus show its eligibility for the receipt of tax increments. The Agency filed its FY 2006-2007 Statement of Indebtedness with the County Auditor on September 30, 2006. The Agency is estimating the following indebtedness for FY 2007-2008:

	<u>North Tahoe</u>	<u>Sunset</u>	<u>North Auburn</u>	<u>Total</u>
<u>Proposed Indebtedness</u>				
2006-2007 Pass Through	845,518	206,366	298,563	1,350,447
General Fund Agreements	12,753,583	545,591	6,620,255	19,919,429
Agreements with Others	<u>3,324,887</u>	<u>2,212,642</u>	<u>87,458</u>	<u>5,624,987</u>
Total	16,923,988	2,964,599	7,006,276	26,894,863



3. Kings Beach Core Improvement Project Assistance:
    - Minnow Avenue Public Parking Lot Construction
    - Salmon Avenue Public Parking Lot Construction
    - Bond Proceeds Contribution to Support Acquisition of Right-of-Way
  4. Mixed-Use Development Support needed for the implementation of Demonstration Projects under a Memorandum of Agreement with TRPA
  5. Reserves for Environmental Activities related to the construction of Kings Beach parking lots and the Tahoe City Marina Public Parking Structure
- ◆ Affordable Housing
6. Housing Rehabilitation Program
  7. New Multifamily Development
  8. Home Ownership Program
  9. Reserves for Development of Workforce Housing

### **SUNSET INDUSTRIAL PROJECT AREA**

- ◆ Commercial/Infrastructure Development
10. Infrastructure Project Improvements
  11. Highway 65 Interchange
  12. Sewer Line Connection Upgrades
  13. Reserves for Public Infrastructure Construction
- ◆ Affordable Housing
14. Housing Funds Assistance

### **NORTH AUBURN PROJECT AREA**

- ◆ Commercial/Infrastructure Development
15. North Auburn Commercial/Infrastructure Development Strategy:
    - Streetscape/Beautification Project on Highway 49
    - Public Signage
    - Façade & Commercial Improvement Program
    - Predevelopment Activities for public infrastructure improvements

16. Highway 49 Siphon Replacement
17. Hulbert Way Improvements (Auburn Plaza)
18. Reserves for Infrastructure activities

◆ Affordable Housing

19. Housing Funds Assistance (local match)
20. Countywide Housing Program reserves

GENERAL

21. Promote Community Outreach and Support Programs
22. Economic Development Over the Counter Grant Applications

**D. FY 2006-2007 ACHIEVEMENTS**

During FY 2006-2007, the Agency concentrated on effectively managing the planning and implementation of projects and programs necessary to support redevelopment goals in the North Lake Tahoe, North Auburn, and Sunset Industrial project areas. The Public Works Department, Building Department, Planning Department, Economic Development Department, and County Counsel played key support roles in strategy development and project implementation. The most significant accomplishments are as follows:

◆ Administrative/Fiscal

- Prepared and submitted for Board approval the FY 2006-2007 Agency Budget
- Prepared and submitted for Board approval the FY 2006-2007 Agency Budget Revision
- Submitted mandated California monitoring reports in accordance with required time frames
- Issued a total of \$25,150,000 in tax exempt and taxable bonds
- Received a clean audit report for the period July 1, 2005 to June 30, 2006
- Continued management of a cost and project accounting system which supports both County and State requirements
- Paid off the loan agreement with the County that allowed the Agency to receive its full tax increment funding for the three project areas
- Forecasted FY 2007-2008 tax increment revenues for the three project areas
- Prepared and received California and Agency Board approval for the 2006 CDBG Program Income Reuse Plan
- Continued fiscal oversight responsibilities for the County's CDBG Program Income Revolving Loan Funds
- Completed the AB 1290 Five Year Implementation Plans for North Auburn/Bowman and the Sunset Industrial Redevelopment areas

- Completed the FY 2005-2006 Housing Production Report for the State Housing and Community Development Department

◆ Organizational

- Continued a cooperative interdepartmental work team approach to provide required expertise with a minimum of new resources by maximizing use of the County's current staff
- Expanded implementation of 1999 Placer County Affordable Housing Strategy which designates coordination and management of Countywide affordable housing efforts as the responsibility of the Redevelopment Agency
- Refined policies and procedures relating to organizational/managerial responsibility for the CDBG Program Income funds
- Full-time staffing complement is currently sixteen allocated full-time positions with one vacant position
- Contracted with several consultants to provide expertise on specific projects and programs
- Continued coordination with the Planning Department in the implementation of the Agency's Inclusionary Housing Program, the County's General Plan Housing Element update, and development of new ordinances to implement the Housing Element

◆ Community Involvement

- Provided Workforce Housing Needs information presentations to community groups
- Continued to meet with Municipal Advisory Councils and local level committees to report Agency progress and solicit input on commercial development project priorities and the Affordable Housing Implementation Strategy
- Continued to brief community groups in all three project areas on the Agency's approach to redevelopment and the community's role in providing guidance to the redevelopment process
- Worked with the County Public Information Officer to ensure that communities within each redevelopment area are kept fully informed of the ongoing Agency efforts to eliminate blight and improve housing and economic conditions, focusing on the Housing Rehabilitation and the Business Improvement Programs
- Provided five-year progress reports at public hearings before the Board regarding North Auburn/Bowman and Sunset Industrial Redevelopment areas

◆ Redevelopment and Business Assistance Projects/Housing Programs

- The Agency is currently addressing twenty-two redevelopment-related projects and programs as detailed in the work plan. The Agency Board item to which this budget is an attachment provides more detail on each project.

During the past year, the following progress was made on commercial and housing projects:

◆ Commercial / Infrastructure Development:

- Continued commercial development, business outreach, and community support programs
- Acquired key land parcels for development in the Kings Beach Eastern Gateway
- Revised and updated the Business Improvement Commercial Loan Program which will expand the use of funds for private investment in project areas
- Contributed toward the funding of a critical Memorandum of Agreement with TRPA regarding future redevelopment code requirements
- Entered into a major development agreement with an owner/developer to create a demonstration project
- Provided technical assistance to small business owners regarding permit processing and site plans
- Completed a major economic and marketing study for the North Lake Tahoe Redevelopment Area
- Continued business organization activities in Bowman, Kings Beach, and Tahoe City
- Initiated design and construction activities on two public parking sites in Kings Beach for a planned total of 45 spaces
- Proceeded with design and pre-construction activities for the Marina parking structure in Tahoe City
- Completed construction and opened for operation the Jackpine Public Parking Lot in Tahoe City
- Continued sponsorship of the California Welcome Center in Bowman
- Increased support for the North Tahoe Business Association and the Tahoe City Downtown Association for a combined total of \$121,500
- Secured \$600,000 in a low-interest loan from a commercial bank to assist in the acquisition of a contaminated property in Kings Beach

◆ Affordable Housing:

- Continued the Countywide Housing Rehabilitation Program with a 2003 CDBG award of \$500,000, and use of HOME and CDBG Program Income funds in Kings Beach, Tahoe Vista, Foresthill, Sheridan, and other unincorporated areas

- Executed contracts needed to implement the 2004 CDBG Native American Grant of \$135,000 for housing rehabilitation in Foresthill and began pre-development activities
- Received a new HOME award of \$800,000 for downpayment assistance for homebuyers and housing rehabilitation projects
- Continued the First Time Homebuyers Program funded with \$500,000 in HOME funds and HOME/CDBG Program Income
- Purchased two lots for development of single family housing in Kings Beach
- Partnered with Morrison Homes by overseeing a lottery for 15 affordable single family homes in North Auburn
- Continued the Sheridan Rehabilitation Program for Housing and Sewer Lateral Upgrades
- Assisted in the allocation of \$500,000 in CDBG funds to continue upgrade of sewer lines in Sheridan and fund a sewer lift station for the Domestic Violence Shelter and the Children's Shelter at DeWitt Center
- Funded \$97,000 to assist Habitat for Humanity's acquisition of two single family sites in an unincorporated area near Rocklin
- Contracted for an Affordable Housing Incentives Survey in western County.

**Before the Placer County  
Redevelopment Agency Board of Directors  
County of Placer, State of California**

In the matter of:

Adopt a resolution to approve the Redevelopment Agency's proposed FY 2007-2008 Budget in the amount of \$40,076,903.

Reso. No. \_\_\_\_\_

Ord. No: \_\_\_\_\_

First Reading: \_\_\_\_\_

The following Resolution was duly passed by the Redevelopment Agency Board of the County of Placer at a regular meeting held June 26, 2007, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:  
Clerk of said Board

\_\_\_\_\_  
Chair, Agency Board

WHEREAS, pursuant to Health & Safety Code Section 33606, a proposed budget for Fiscal Year 2007-2008 is submitted to the Redevelopment Agency by the Redevelopment Director and is attached as "Proposed Budget Summary"; and

WHEREAS, Agency staff reviewed the proposed budget and recommends its adoption; and

WHEREAS, to the benefit of the Agency, Placer County staff provide valuable program management, planning and financial management for the agency in the sum of \$1,754,113; and

WHEREAS, the sum of \$19,996,742 is designated as reserves for future capital projects; and

WHEREAS, the proposed planning and administrative expenses for the redevelopment low and moderate income funds are necessary to support the production, improvement, and preservation of low and moderate income housing during the Fiscal Year 2007-2008 Agency budget year; and

WHEREAS, the deposit of 20% of the net tax increment is budgeted in Fund 504, Housing Set Aside in the amount of \$1,705,827; and

WHEREAS, the public improvements set forth in the Agency 2007-2008 Budget are of benefit to the respective redevelopment project areas in and near where such improvements will be constructed; and

WHEREAS, such improvements will help to alleviate blighting conditions in the applicable Project Area; and

WHEREAS, the payment of the costs of such improvements is consistent with the Agency's adopted Implementation Plan; and

WHEREAS, no other reasonable means of financing such improvements are available; and

WHEREAS, pursuant to Health and Safety Code section 333334.2 (g) the use of moneys from the Housing Set Aside Fund to fund housing projects outside any redevelopment project area will be of benefit to the each redevelopment project area within the County.

NOW, THEREFORE BE IT RESOLVED by the Placer County Redevelopment Agency Board that the Fiscal Year 2007-2008 Budget is hereby adopted.

