

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

**MEMORANDUM**

**TO:** Honorable Members of the Redevelopment Agency Board  
**FROM:** Thomas M. Miller, Director  
 James LoBue, Deputy Director *James J. LoBue*  
**DATE:** December 13, 2011  
**SUBJECT:** Redevelopment Agency FY 2011-12 Final Budget

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**ACTION REQUESTED:** Adopt a resolution approving the Redevelopment Agency's FY 2011-12 Final Budget in the amount of \$32,362,796.

**BACKGROUND:** At the June 21, 2011 meeting, your Board approved the Redevelopment Agency (Agency) FY 2011-12 Proposed Budget and Work Program in the amount of \$29,212,535. Since that time the Agency has received updated information on revenues, expenditures, and fund carryovers from the previous fiscal year. The overall net result is the Agency has identified additional available funds to carry out its Work Program.

Revenues

In September the Agency received final property tax information for the current year from the County Assessor and Auditor. Whereas, in the Proposed Budget the Agency assumed a 5% reduction in tax increment revenues applied equally across the housing and non-housing categories and equally across the three Redevelopment Project Areas, the final information shows mostly increases, resulting in more available funds.

<u>FUND</u>	<u>FY 10-11</u>	<u>FY 11-12</u>	<u>% CHANGE</u>
North Tahoe Housing	\$ 1,288,994	\$ 1,252,030	- 2.9
North Auburn Housing	301,564	305,767	+ 1.4
Sunset Industrial Housing	336,150	349,249	+ 3.9
North Tahoe Commercial	3,391,132	3,408,250	+ 0.5
North Auburn Commercial	803,140	829,904	+ 3.4
Sunset Commercial	935,289	1,111,610	+ 18.9

In total gross tax increment, revenues are increased by \$200,541. In FY 2010-11, the net tax increment revenues were further reduced by \$656,822 to cover State-mandated Supplemental Education Revenue Augmentation Fund (SERAF) payments to local schools. The FY 2011-12 Final Budget does not reflect any assumed SERAF payments. If recent State Budget trailer bills ABx1-26 and ABx1-27 are upheld by the Supreme Court, the Agency will need to revise its Final Budget to reflect new mandated payments to local school and fire districts.

Tax increment is the primary source of revenue for the Agency, but the Final Budget also includes other revenue from multiple sources – interest earnings, proceeds from tax allocation bond issuances, State and Federal grants and loans, program income from Agency loans to private parties, private bank loans, and developer contributions. The Agency will continue to seek out opportunities to apply for grants and to leverage other outside funds in support of the Agency's projects and programs.

Budget Adjustments and Remaining Reserves

The Final Budget contains the same projects, programs, and allocations listed in the Agency's Proposed Budget, with the following exceptions.

**NORTH LAKE TAHOE PROJECT AREA**

Kings Beach Scattered Sites Housing Project	\$236,986 increase in anticipated total funding and expenditures for FY 2011-12, due to less expenditure than previously anticipated occurring in FY 2010-11 and rolled into FY 2011-12
Multi-family Housing Planning	\$41,640 decreased allocation
Commercial Loan Program	\$455,061 increased allocation

**NORTH AUBURN PROJECT AREA**

First Time Homebuyer Loan Program	\$129,533 increased allocation
Commercial Loan Program	\$599,929 increased allocation

**SUNSET INDUSTRIAL PROJECT AREA**

First Time Homebuyer Loan Program	\$83,743 increased allocation
Transportation Capital Projects Reserve	\$165,216 increased allocation

Potential Impacts of State Legislation

As mentioned above, the State Supreme Court is currently deliberating litigation challenging the constitutionality of ABx1-26 and ABx1-27. These bills required the elimination of all redevelopment agencies in California unless the legislative bodies of those agencies adopted ordinances to commit to making substantial payments to local school districts and special districts. On August 9, 2011, the County Board of Supervisors adopted an ordinance committing the County to making the annual payments to prevent the forced elimination of the Agency. The estimated payment for the current fiscal year, stated in the ordinance, was \$3,806,964 and the estimated payment for subsequent year payments was \$895,756, adjusted by inflation and new debt.

On August 9, 2011, your Board and the Board of Supervisors also approved a Remittance Agreement which obligated the Agency to reimburse the County for payments made in connection with the requirements of the ordinance. In connection with these actions, the Agency provided a schedule of proposed reductions to individual line items of the Agency's FY 2011-12 Proposed Budget Work Program to accumulate the necessary funds to make the required \$3,806,964 reimbursement payment to the County. It is anticipated that, if the Supreme Court finds in favor of the State and validates ABx1-26 and ABx1-27, the Agency will return to your Board with a proposed Budget revision that will be based on the schedule of proposed reductions to the Proposed Budget Work Program provided to your Board on August 9, 2011. As a result of additional revenue identified in the Final Budget, the Budget revision may be modified.

In summary, the Agency is well positioned to implement its FY 2011-12 Work Program regardless of the outcome of the Supreme Court decision on the current litigation. The Agency continues to pursue a fiscal strategy of targeted investments, administrative expenses restraint, and pursuit of opportunities to leverage outside funding resources.

**ENVIRONMENTAL STATUS:** This is an administrative action, does not constitute a project, and is exempt from environmental review per California Environmental Quality Act Guidelines section 15378(b)(5).

**FISCAL IMPACT:** The Agency's FY 2011-12 Final Budget includes \$32,362,796 from a combination of tax increment proceeds, State and Federal grants and loans, program income, interest earnings, and private contributions.

Attachments: Resolution  
Final Budget Summary Table

cc: Karin Schwab, Agency Counsel

182

PLACER COUNTY REDEVELOPMENT AGENCY  
FY 2011/12

FINAL BUDGET SUMMARY

Revenues	N. Tahoe 504-100	N. Auburn 504-200	Sunset 504-300	General 504-400	CW Hsg Bond 504-500	Total Housing	N. Tahoe 505-100	N. Auburn 505-200	Sunset 505-300	NT Bond 505-600	NA Bond 505-700	Total Capital Projects	FY'11/12 FINAL Budget
Available Fund Balance (Unreserved/Undesignated)	647,810	417,876	536,864	-	1,461,269	3,063,819	577,218	714,130	(52,368)	7,316,077	941,140	9,496,197	12,560,016
Cancel Reserves	706,746	376,119	-	-	-	1,082,865	1,083,309	-	359,973	4,042,859	108,448	5,594,589	6,677,454
Tax Increment	1,252,030	305,767	349,249	-	-	1,907,046	3,408,250	829,904	1,111,610	-	-	5,349,764	7,256,810
Contributions from Other Govts	4,163,713	-	-	380,470	-	4,544,183	-	-	-	-	-	-	4,544,183
Other Revenues	-	-	-	-	494,997	494,997	500,000	-	-	329,336	-	829,336	1,324,333
<b>Total FY11/12 Revenue</b>	<b>5,415,743</b>	<b>305,767</b>	<b>349,249</b>	<b>380,470</b>	<b>494,997</b>	<b>6,946,226</b>	<b>3,908,250</b>	<b>829,904</b>	<b>1,111,610</b>	<b>329,336</b>	<b>-</b>	<b>6,179,100</b>	<b>13,125,326</b>
<b>FY11/12 Available Revenues</b>	<b>6,770,299</b>	<b>1,099,762</b>	<b>886,113</b>	<b>380,470</b>	<b>1,956,266</b>	<b>11,092,910</b>	<b>5,568,777</b>	<b>1,544,034</b>	<b>1,419,215</b>	<b>11,688,272</b>	<b>1,049,588</b>	<b>21,269,886</b>	<b>32,362,796</b>
Expenditures	N. Tahoe 504-100	N. Auburn 504-200	Sunset 504-300	General 504-400	CW Hsg Bond 504-500	Total Housing	N. Tahoe 505-100	N. Auburn 505-200	Sunset 505-300	NT Bond 505-600	NA Bond 505-700	Total Capital Projects	FY'11/12 FINAL Budget
Salaries & Employee Benefits	318,108	51,333	85,733	365,137	85,745	906,056	472,471	167,957	149,498	95,883	56,099	941,908	1,847,964
Services & Supplies	223,000	28,115	71,342	15,333	42,508	380,298	1,162,131	241,435	117,333	5,633,798	898,598	8,053,295	8,433,593
Other Charges	5,356,815	594,036	729,038	-	1,828,013	8,507,902	2,910,046	1,134,642	-	2,120,000	-	6,164,688	14,672,590
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal FY11/12 Expenditures</b>	<b>5,897,923</b>	<b>673,484</b>	<b>886,113</b>	<b>380,470</b>	<b>1,956,266</b>	<b>9,794,256</b>	<b>4,544,648</b>	<b>1,544,034</b>	<b>266,831</b>	<b>7,849,681</b>	<b>954,697</b>	<b>15,159,891</b>	<b>24,954,147</b>
<b>**FY11/12 Designated Reserves</b>	<b>872,376</b>	<b>426,278</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,298,654</b>	<b>1,024,129</b>	<b>-</b>	<b>1,152,384</b>	<b>3,838,591</b>	<b>94,891</b>	<b>6,109,995</b>	<b>7,408,649</b>
<b>Grand Total Budget</b>	<b>6,770,299</b>	<b>1,099,762</b>	<b>886,113</b>	<b>380,470</b>	<b>1,956,266</b>	<b>11,092,910</b>	<b>5,568,777</b>	<b>1,544,034</b>	<b>1,419,215</b>	<b>11,688,272</b>	<b>1,049,588</b>	<b>21,269,886</b>	<b>32,362,796</b>

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

In the matter of:

Approving the Redevelopment Agency FY 2011-12 Final Budget  
in the amount of \$32,362,796

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 \_\_\_\_\_,

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

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

Clerk of said Board

\_\_\_\_\_

WHEREAS, pursuant to California Health and Safety Code Section 33606, a Final Budget for FY 2011-2012 is submitted to the Redevelopment Agency (Agency) by the Redevelopment Director and is attached as "Final Budget Summary";

WHEREAS, Agency staff reviewed the Final Budget and recommends its adoption;

WHEREAS, the deposit of twenty per cent (20%) of the gross tax increment is budgeted in Fund 504, Housing Set-Aside, in the amount of \$1,907,046;

WHEREAS, the public improvements set forth in the Agency FY 2011-2012 Final Budget are of benefit to the respective Redevelopment Project Areas in and near where such improvements will be constructed;

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

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 \$1,847,964;

WHEREAS, all designated reserves are released for designated projects or re-budgeted due to payments mandated by the State and termination of projects. The result is an estimated \$7,408,649 remaining in the reserves for individual Project Areas and bond funds detailed in the attached FY 2011-2012 Final Budget Summary;

WHEREAS, the proposed planning and administrative expenses are necessary for the production, improvement, or preservation of low- and moderate-income housing during the FY 2011-2012 Agency budget year;

WHEREAS, the Agency subsidizes in the Housing Set-Aside Fund State and Federal grant programs such as the Community Development Block Grant and Neighborhood Stabilization Programs, in the amount of \$380,470; and

WHEREAS, pursuant to California Health and Safety Code section 33334.2(g), the use of monies from the Housing Set-Aside Fund to fund housing projects within the County and outside any Redevelopment Project Area will be of benefit to each Redevelopment Project Area within the County.

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Agency of the County of Placer that the FY 2011-2012 Agency Final Budget is hereby adopted.

125

PLACER COUNTY REDEVELOPMENT AGENCY  
FY 2011/12

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