

Fiscal Year 2010-2011
Annual Report on file for
review only with the Clerk
of the Board

Fiscal Year 2010-2011 Annual Report

Independent Audit Report

State Controller's Report

HCD Annual Report

Blight Progress Report

Loan Report

Property Report

REDEVELOPMENT AGENCY OF PLACER COUNTY
(A Component Unit of the County of Placer, California)

**INDEPENDENT AUDITOR'S REPORTS,
MANAGEMENT'S DISCUSSION AND ANALYSIS,
BASIC FINANCIAL STATEMENTS,
REQUIRED SUPPLEMENTARY INFORMATION AND
OTHER SUPPLEMENTAL INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2011

**REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)
FOR THE YEAR ENDED JUNE 30, 2011**

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To the Board of Directors
Redevelopment Agency of
Placer County
Auburn, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities and each major fund of the Redevelopment Agency of Placer County (Agency), a component unit of the County of Placer, California, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of June 30, 2011, and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note B, effective July 1, 2010, the Commission adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

As explained further in Note N, the California State Legislature has enacted legislation that is intended to provide for the dissolution of redevelopment agencies in the State of California. The effects of this legislation are uncertain pending the result of certain lawsuits that have been initiated to challenge the constitutionality of this legislation.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2011, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of revenues, expenditures and changes in fund balance – budget and actual – low and moderate income special revenue fund, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by

the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's financial statements as a whole. The other supplemental information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements. The other supplemental information as listed in the table of contents is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of American. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Maclean Meiri & O'Connell LLP

Sacramento, California
December 2, 2011

**REDEVELOPMENT AGENCY OF PLACER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

As management of the Redevelopment Agency of Placer County (the Agency), a component unit of the County of Placer, (the County) we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the Agency's basic financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- The assets of the Agency exceeded liabilities at the end of the fiscal year by \$26,247,208 (net assets).
- The Agency's governmental funds reported an ending fund balance of \$19,556,977.
- During the year, the Agency's revenues generated from property taxes (net of pass-throughs to local agencies and the SERAF shift to the State) and governmental programs totaled \$8,318,497 and were \$3,809,949 more than the \$4,508,548 of governmental program expenses.
- Property tax increment increased by \$1,661,468 from FY 2009-2010 to FY 2010-2011. The current year's property tax increment revenue received by the Agency from the County was increased primarily due to State Assembly Bill (AB) 26 4x, which required the revenue shift of \$657,451 of the Agency's property tax increment to the Supplemental Education Revenue Augmentation Fund (SERAF) during FY 2010-2011 compared to a revenue shift of \$3,193,331 in the prior fiscal year.
- FY 2010-2011 payments to other agencies were \$2,483,566 less than FY 2009-2010 primarily due to the \$1,030,982 decrease in contributions to Placer County's Department of Public Works for the highway 65 interchange project (\$1,000,000) and the Tahoe City transit station project (\$30,982) combined with the \$1,161,931 decrease in contribution to Placer County's Department of Facility Services for the highway 49 siphon lift station project.
- Total capital assets of the Agency, which includes, intangibles, land, buildings, infrastructure, construction in progress and equipment, valued on an acquisition cost basis was \$21,256,127. After depreciation, the June 30, 2011 book value for capital assets totaled \$20,017,182.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the basic financial statements.

- The government-wide financial statements provide both long-term and short-term information about the Agency's overall financial status.
- The fund financial statements focus on individual functions (housing and community development) of the Agency, reporting the Agency's operations in more detail than the government-wide statements.
 - The governmental funds statements offer short-term financial information about the Low and Moderate Income and Capital Projects Funds.
 - Included in the Supplemental Information are combining Fund Financial Statements that detail the activities of the Low and Moderate Income Special Revenue Fund and Capital Projects Funds by Project Area.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business. These statements report information about the Agency and its activities. The statements include all assets and liabilities of the Agency using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

The *statement of net assets* presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The *statement of activities* presents information showing how the Agency's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements report on the housing and community development functions of the Agency that are principally supported by taxes and intergovernmental revenues. The Agency's function is to improve, rehabilitate and develop certain areas within the County. This is funded primarily with incremental property tax revenue. The government-wide financial statements can be found on pages 11 and 12 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The Agency's basic activities are reported in the governmental funds, which focus on the flow of financial resources into and out of the funds and the balances left at year end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a government's near-term financing requirements.

The Agency maintains major governmental funds for: its special revenue and capital projects funds in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Agency's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and *governmental activities*. The governmental fund financial statements can be found on pages 13 through 15 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 16 through 32 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$26,247,208 at the close of the most recent fiscal year.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

The Agency has \$6,390,574 invested in capital assets, net of related debt (e.g., intangibles, land, equipment, infrastructure and construction in progress). Any investment in capital assets limits the use of assets for future spending. Additionally, the Agency has restricted \$2,847,437 of net assets for future debt service requirements, \$12,360,508 for housing projects. The unrestricted net assets of the Agency are available for future use to provide program services. The Agency has \$4,648,689 of unrestricted net assets.

Agency's Condensed Statement of Net Assets

	Governmental Activities		
	2011	2010	Variance (%)
Current and other assets	\$ 35,263,352	\$ 28,644,200	23.1%
Capital assets, net	20,017,182	23,400,937	-14.5%
Total assets	55,280,534	52,045,137	6.2%
Current liabilities	805,559	928,054	-13.2%
Long-term liabilities	28,227,767	28,679,824	-1.6%
Total liabilities	29,033,326	29,607,878	-1.9%
Invested in capital assets, net			
of related debt	6,390,574	7,047,416	-9.3%
Restricted for debt service	2,847,437	2,953,809	-3.6%
Restricted for housing	12,360,508	2,911,949	324.5%
Unrestricted	4,648,689	9,524,085	-51.2%
	\$ 26,247,208	\$ 22,437,259	17.0%

During the current fiscal year the net assets of the Agency increased by \$3,809,949. This increase comes from the change in net assets as recorded in the Statement of Activities and flows through the Statement of Net Assets. Presented in the Statement of Activities are program expenses by function, general revenues by major source and total net assets.

The cost of governmental activities for the Agency this year was \$4,508,548. Total resources for the current year to finance the Agency's operations were \$8,318,497. The majority of this revenue was generated from property tax increment, which represents \$6,288,607. Total resources for the current year are up \$2,547,298 primarily due to the \$2,535,880 reduction in property tax increment paid to the State's mandated Supplemental Education Revenue Augmentation Funds (SERAF) payment.

Property taxes allocated to the Agency are computed in the following manner:

- a. The assessed valuation of all property within each of the Agency's Project Areas is determined on the date of adoption of the Redevelopment Plan by a designation of a fiscal year assessment roll.
- b. Property taxes related to the incremental increase in assessed values after the adoption of the Redevelopment Plan are allocated to the Agency; all taxes on the "frozen" assessed valuation of the property are allocated to the County and other districts receiving taxes from the project area.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

Agency's Condensed Statement of Activities

	Governmental Activities		
	2011	2010	Variance (%)
Revenue:			
Program revenue:			
Intergovernmental contributions	\$ 1,624,397	\$ 95,289	1604.7%
Rental	679	208,871	-99.7%
Project loan repayments - interest	7,139	13,794	-48.3%
General revenue:			
Property tax increment	6,288,607	4,627,139	35.9%
Investment earnings	281,456	825,106	-65.9%
Gain on sale of capital assets	109,991	-	
Miscellaneous	6,228	1,000	522.8%
Total revenue	8,318,497	5,771,199	44.1%
Expenses:			
Housing	662,564	907,242	-27.0%
Commercial development	2,588,157	4,946,103	-47.7%
Interest on long-term debt	1,257,827	1,281,932	-1.9%
Total expenses	4,508,548	7,135,277	-36.8%
Change in net assets	3,809,949	(1,364,078)	-379.3%
Net assets, beginning of year	22,437,259	23,801,337	-5.7%
Net assets, end of year	<u>\$ 26,247,208</u>	<u>\$ 22,437,259</u>	<u>17.0%</u>

The significant variances between the current fiscal year (2010-2011) and the prior fiscal year (2009-2010) consisted of the following:

- Revenue from intergovernmental contributions increased \$1,529,108 from FY 2009-2010 to FY 2010-2011 primarily due to the contribution of \$1,054,553 from the Placer County Community Revitalization Fund's State Community Development Block Grant 07-EDOC-3767 to the Rock Creek Plaza improvements project in Auburn and the contribution of \$548,089 from the State of California's Department of Housing and Community Development Infill Infrastructure Grant Program to the Kings Beach Scattered Housing Project.
- Rental program revenues decreased \$208,192 from FY 2009-2010 to FY 2010-2011 due to the relocation of all housing rental tenants and the demolishing of the Kings Beach rental properties to make way for the Kings Beach Scattered Housing Project.
- Property tax increment increased by \$1,661,468 from FY 2009-2010 to FY 2010-2011. The current year's property tax increment revenue received by the Agency from the County was increased primarily due to State Assembly Bill (AB) 26 4x, which required the revenue shift of \$657,451 of the Agency's property tax increment to the Supplemental Education Revenue Augmentation Fund (SERAF) during FY 2010-2011 compared to a revenue shift of \$3,193,331 in the prior fiscal year.
- Investment earnings decreased by \$543,650 from FY 2009-2010 to FY 2010-2011 primarily due to the use of capital for projects and lower interest rates.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

- Revenues from the gain on the sale of capital assets increased \$109,991 from FY 2009-2010 to FY 2010-2011 due to the sale of land and land related intangibles to Kings Beach Housing Associates for the Kings Beach Scattered Housing Project.
- Housing expenses during FY 2010-2011 decreased \$244,678 from FY 2009-2010 primarily due to the following: 1) the operating costs of the housing rental units decreased \$122,588 in FY 2010-2011 when compared to FY 2009-2010 and 2) Placer County A-87 expenditures charged to the Housing Fund decreased \$134,001 in FY 2010-2011 when compared to FY 2009-2010.
- Commercial development expenses decreased \$2,357,946 during FY 2010-2011 from FY 2009-2010 primarily due to the following: 1) \$1,000,000 was contributed during the previous fiscal year (2009-2010) to the Placer County's Department of Public Works for the highway 65 interchange project and there were no contributions made during the current fiscal year (2010-2011); 2) \$1,161,931 was contributed to the Placer County's Department of Facility Services for the highway 49 siphon lift station project during fiscal year (2009-2010) and there were no contributions made to during the current fiscal year (2010-2011) and 3) Placer County A-87 expenditures charged to commercial development decreased \$222,887 in FY 2010-2011 when compared to FY 2009-2010.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency's governmental funds are discussed below:

Governmental funds

The focus of the Agency's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

As of the end of the current fiscal year, the Agency's governmental funds reported an ending fund balance of \$19,556,977. The fund balance primarily represents the accumulation of incremental property tax, bond proceeds and investment earnings in excess of expenditures. The excess fund balance will be used for low and moderate income housing program expenditures, administration and planning and specific capital projects within the project area.

	FY2011		FY2010		Increase/ (Decrease)	Percentage Change
	Amount	Percent of Total	Amount	Percent of Total	Amount	
Taxes	\$ 6,288,607	48.9%	\$ 4,627,139	78.6%	\$ 1,661,468	35.91%
Investment earnings	281,456	2.2%	825,106	14.0%	(543,650)	-65.89%
Intergovernmental contributions	1,624,397	12.6%	95,289	1.6%	1,529,108	1604.71%
Other income	29,599	0.2%	342,514	5.8%	(312,915)	-91.36%
Total revenues	8,224,059	63.9%	5,890,048	100.0%	2,334,011	39.63%
Other financing sources:						
Proceeds from sale of capital assets:	4,650,400	36.1%	-	0.0%	4,650,400	100.00%
Total revenues and other financing sources	\$ 12,874,459	100.0%	\$ 5,890,048	100.0%	\$ 6,984,411	118.58%

**REDEVELOPMENT AGENCY OF PLACER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

	Expenditures Governmental Funds					
	FY2011		FY2010		Increase/ (Decrease)	Percentage Change
	Amount	Percent of Total	Amount	Percent of Total	Amount	
Expenditures:						
Administration and planning	\$ 1,776,806	10.4%	\$ 2,010,437	17.9%	\$ (233,631)	-11.62%
Intergovernmental payments	524,643	3.1%	3,008,209	26.8%	(2,483,566)	-82.56%
Project loans issued	11,106,788	64.7%	1,199,197	10.7%	9,907,591	826.19%
Capital outlay	1,993,404	11.6%	3,236,913	28.9%	(1,243,509)	-38.42%
Debt service:						
Principal	521,152	3.0%	504,544	4.5%	16,608	3.29%
Interest	1,234,828	7.2%	1,258,578	11.2%	(23,750)	-1.89%
Total expenditures and other financing uses	<u>\$ 17,157,621</u>	<u>100.0%</u>	<u>\$ 11,217,878</u>	<u>100.0%</u>	<u>\$ 5,939,743</u>	<u>52.95%</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2011, the Agency had an investment in capital assets of \$20,017,182, net of depreciation, which includes \$3,490,861 in construction in progress. During the year ended June 30, 2011, the Agency completed the following projects:

- Two Tahoe City gateway monument signs totaling \$258,219.
- Rock Creek Plaza improvement project totaling \$1,229,624 (\$143,550 of land improvements and \$1,086,073 of infrastructure improvements).
- Expended \$826,880 on project costs for projects that are currently in progress.
- Transferred ownership of five (5) scattered sites in Kings Beach (Chipmunk, Trout, Fox, Deer and Brook Avenue) to Kings Beach Housing Development Associates, LP, a partner of Domus Development, LLC, for the development of 77 affordable rental units. The net book value of the assets transferred was \$4,540,409.
- Demolished buildings on the 8796 & 9798 North Lake Blvd. project site. The net book value of the buildings were \$331,500.

For additional information, see Note E in the notes to the basic financial statements.

Long-Term Liabilities

During the year, the Agency's long-term debt activity consisted of the following:

- Repayments of \$56,152 on the Agency's three loans from California Infrastructure and Economic Development Bank (CIEDB).
- Repayments of \$465,000 on the Tax Allocation Bonds.
- Accrued \$28,734 of interest on the loan with the California Housing Finance Agency bringing the total accrued interest to date to \$202,833. The accrued interest is payable at maturity.
- Increase of \$96,680 in the Agency's liability for compensated absences. \$88,446 of the increase amount is due to the addition of sick leave balances to the Agency's compensated absences liability. The addition of sick leave balances is a result of negotiated changes with employee bargaining units during FY 2010-2011.
- Amortized bond discounts by \$3,289 bringing the unamortized bond discount balance to (\$82,512).
- Decrease of \$59,608 in the Agency's pollution remediation obligation.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

For additional information, see Note F in the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Agency is currently facing some uncertain times in the 2011-2012 fiscal year. On June 29, 2011, the Governor of the State of California signed Assembly Bill X1 26 (ABX1 26), the Redevelopment Agency Dissolution Act, and Assembly Bill X1 27 (AB X1 27), the Redevelopment Agency Voluntary Program Act as part of the FY 2011-2012 State's budget package. AB X1 26 suspend nearly all activities of redevelopment agencies in the state. The bills took effect immediately upon the Governor's signature.

AB X1 27 provides a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. Under this program, each County would adopt an ordinance agreeing to make certain payments to the County Auditor Controller in fiscal year 2011-12 and annual payments each fiscal year thereafter. AB X1 26 indicates that the County "may use any available funds not otherwise obligated for other uses" to make this payment. The Placer County Redevelopment Agency (Agency) intends to use available monies for this purpose and the County and Agency have approved a reimbursement agreement to accomplish that objective. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the state legislature. Adoption of this ordinance and participation in the payment program is the only means under the legislation to suspend the restrictions imposed through AB X1 26 on Agency activities.

On August 9, 2011, the Board of Supervisors adopted County of Placer Urgency Ordinance No. 5649B electing to participate in the Voluntary Alternative Redevelopment Program. The ordinance took effect immediately. Concurrently, a resolution was adopted by the Redevelopment Agency Board to execute a Remittance Agreement with the County for the payment amount established by the State of \$3,806,964 with one half due on January 15, 2012 and the other half due May 15, 2012. Thereafter, an estimated \$895,856 will be due annually. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the State Legislature. Failure to make these payments would require agencies to be terminated under the provisions of AB X1 26.

This legislation is facing lawsuits challenging its constitutionality. The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bills X1 26 and 27 on the grounds that these bills violate the California Constitution. On August 11, 2011, the California Supreme Court issued a stay for all of Assembly Bill X1-27 and most of Assembly Bill X1-26. The Court expects to make a decision before January 15, 2012.

Management believes that the Agency will have sufficient funds to pay its obligations as they become due during the fiscal year ending June 30, 2012. The nature and extent of the operation of redevelopment agencies in the State of California beyond that time frame are dependent upon the outcome of litigation surrounding the actions of the state. In the event that AB X1 26 is upheld and AB X1 27 is not, reimbursements previously paid by the Agency to the County for shared administrative services may be reduced or eliminated. In the event that AB X1 26 is overturned and AB X1 27 is upheld, it is hoped that the ordinances previously adopted by agencies to opt into the payment program will be recognized by the Court and allow those agencies to resume full operations without delay. How or when the Court may ultimately rule is however, to date, unknown. In the event that both bills are found by the courts to be unconstitutional, there is still a possibility that future legislative acts may create new challenges to the ability of redevelopment agencies in the State of California to continue in view of the California State Legislature's stated intent to eliminate California redevelopment agencies and to reduce their funding.

The following factors were considered in preparing the Agency's budget for the 2011-2012 fiscal year:

During the upcoming budget year, the Agency will continue to focus its efforts on: (1) implementation of major commercial improvement projects in North Auburn; (2) multiple Community Enhancement Projects in Kings Beach; (3) core infrastructure improvement projects needed to encourage private investment in all three Project Areas; (4) commercial and housing rehabilitation loans; (5) promotion and assistance for providing increased affordable housing opportunities; and (6) active coordination with outside agencies, private property owners, developers, community organizations and funding agencies to leverage resources and strategically plan and implement community revitalization efforts.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

Due to the uncertainty as to the outcome of the California Supreme Court's decision on the constitutionality of AB X1 26 & 27; the Agency did not include the voluntary payments in their FY 2011-2012 Proposed Budget. See Note N in the accompanying Notes to the Financials for a more detailed disclosure of the facts.

The FY 2011-2012 proposed budget projects:

- Revenues budgeted in the amount of \$29,212,535 were projected as follows:
 - Tax increment (net of pass-throughs to local agencies) is projected to decrease from \$7,056,269 to \$6,703,456 due to a projected decrease in tax increment revenue in all three project areas.
 - The carryover fund balance of \$17,277,529 includes a cancellation of prior year reserves and/or designations in the amount of \$6,677,454.
- Expenditures for FY 2011-2012 are for
 - A deposit of 20% of the net tax increment is budgeted in the Low and Moderate Income Special Revenue Fund in the amount of \$1,830,371.
 - The sum of \$4,920,359 is designated as reserves for future capital projects and \$1,298,654 for housing projects and program costs.
 - Capital project costs are estimated at \$14,140,386.
 - Housing project and program costs are estimated at \$8,853,136.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Senior Administrative Services Officer, Cindy Kelly, Placer County Redevelopment Agency, 3091 County Center Drive, Suite 260, Auburn, California 95603.

**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities
ASSETS	
Cash and investments	\$ 19,816,608
Due from other governments	8,682
Interest receivable	26,593
Prepaid expenses	6,820
Notes receivable, net of discount	14,492,933
Deferred charges	911,716
Capital assets:	
Nondepreciable	11,651,013
Depreciable	8,366,169
Total assets	55,280,534
LIABILITIES	
Accounts payable	85,093
Accrued salaries and benefits	124,687
Due to other governments	91,946
Interest payable	503,833
Long-term liabilities:	
Due within one year	1,876,323
Due in more than one year	26,351,444
Total liabilities	29,033,326
NET ASSETS	
Invested in capital assets, net of related debt	6,390,574
Restricted for debt service	2,847,437
Restricted for housing programs and projects	12,360,508
Unrestricted	4,648,689
Total net assets	\$ 26,247,208

The notes to the basic financial statements are an integral part of this statement.

REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

REDEVELOPMENT AGENCY PROGRAM EXPENSES

Governmental activities:	
Housing	\$ 662,564
Commercial development	2,588,157
Interest on long-term debt	1,257,827
	<hr/>
Total program expenses	4,508,548
	<hr/>

PROGRAM REVENUE

Intergovernmental	1,624,397
Rental	679
Project loan repayments - interest	7,139
	<hr/>
Total program revenue	1,632,215
	<hr/>

NET PROGRAM EXPENSE (2,876,333)

GENERAL REVENUE

Property tax increment	6,288,607
Investment earnings	281,456
Gain on sale of capital assets	109,991
Other	6,228
	<hr/>
Total general revenue	6,686,282
	<hr/>

Change in net assets	3,809,949
Net assets, beginning of year	22,437,259
	<hr/>
Net assets, end of year	<u>\$ 26,247,208</u>

The notes to the basic financial statements are an integral part of this statement.

REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	Low and Moderate Income Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets			
Cash and investments	\$ 4,270,738	\$ 15,545,870	\$ 19,816,608
Due from other governments	6,211	2,471	8,682
Interest receivable	5,633	20,960	26,593
Prepaid items	1,882	4,938	6,820
Notes receivable, net of discount	9,353,087	5,139,846	14,492,933
Advances due from other project areas	--	3,000,000	3,000,000
Total assets	<u>\$ 13,637,551</u>	<u>\$ 23,714,085</u>	<u>\$ 37,351,636</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 54,972	\$ 30,121	\$ 85,093
Accrued salaries and benefits	44,661	80,026	124,687
Due to other governments	8,373	83,573	91,946
Deferred revenue	9,353,087	5,139,846	14,492,933
Advances due to other project areas	--	3,000,000	3,000,000
Total liabilities	<u>9,461,093</u>	<u>8,333,566</u>	<u>17,794,659</u>
Fund balances:			
Nonspendable:			
Prepaid expense	1,882	4,938	6,820
Restricted:			
Housing programs	2,662,311	--	2,662,311
Capital projects	--	9,256,097	9,256,097
Debt service	429,400	2,418,037	2,847,437
Assigned:			
Capital projects	--	3,678,329	3,678,329
Debt service	1,082,865	--	1,082,865
Encumbrances	--	23,118	23,118
Total fund balances	<u>4,176,458</u>	<u>15,380,519</u>	<u>19,556,977</u>
Total liabilities and fund balances	<u>\$ 13,637,551</u>	<u>\$ 23,714,085</u>	<u>\$ 37,351,636</u>

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS:

Fund balances - from above	\$ 19,556,977
Amounts reported for governmental activities in the statement of net assets are different because:	
Deferred cost of issuance related to long-term debt used in governmental activities are not financial resources and, therefore, are not reported in the funds.	911,716
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,017,182
Deferred revenue is presented in the governmental fund financial statements to indicate that receivables are not available currently; however, in the statement of net assets these deferrals are eliminated.	14,492,933
Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds as follows:	
Tax allocation bonds payable	(23,405,000)
Bond discount	82,512
Loans payable	(4,386,456)
Pollution remediation obligation	(352,752)
Compensated absences	(166,071)
Interest payable	(503,833)
Net assets of governmental activities	<u>\$ 26,247,208</u>

The notes to the basic financial statements are an integral part of this statement.

REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Low and Moderate Income Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues:			
Taxes	\$ 1,886,771	\$ 4,401,836	\$ 6,288,607
Investment earnings	53,135	228,321	281,456
Intergovernmental contributions	569,844	1,054,553	1,624,397
Rental	679	--	679
Project loan repayments - principal	5,510	10,043	15,553
Project loan repayments - interest	4,348	2,791	7,139
Other income	5,738	490	6,228
	<u>2,526,025</u>	<u>5,698,034</u>	<u>8,224,059</u>
Expenditures:			
Current:			
Administration and planning	570,619	1,206,187	1,776,806
Intergovernmental payments	91,945	432,698	524,643
Project loans issued	6,844,353	4,262,435	11,106,788
Capital outlay:			
Project costs	289,970	1,703,434	1,993,404
Debt service:			
Principal	90,000	431,152	521,152
Interest	339,717	895,111	1,234,828
	<u>8,226,604</u>	<u>8,931,017</u>	<u>17,157,621</u>
Deficiency of revenues under expenditures	<u>(5,700,579)</u>	<u>(3,232,983)</u>	<u>(8,933,562)</u>
Other financing sources:			
Proceeds from sale of capital assets	<u>4,650,400</u>	<u>--</u>	<u>4,650,400</u>
Net change in fund balances	(1,050,179)	(3,232,983)	(4,283,162)
Fund balances, beginning of year	<u>5,226,637</u>	<u>18,613,502</u>	<u>23,840,139</u>
Fund balances, end of year	<u>\$ 4,176,458</u>	<u>\$ 15,380,519</u>	<u>\$ 19,556,977</u>

The notes to the basic financial statements are an integral part of this statement.

REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Net change in fund balances (page 14)	\$	(4,283,162)
<p>Collections on receivables and loan transactions offset by deferred revenue are reported as revenues and expenditures in the governmental funds; however, they are not recorded as revenues or expenses in the statement of activities.</p>		
Project loans issued	11,106,788	
Project loan repayments - principal	<u>(15,553)</u>	11,091,235
<p>In governmental funds, unmatured interest on long-term debt is recognized in the period when it is due. In the statement of activities, unmatured interest on long-term debt is recognized when it is incurred.</p>		
		(28,734)
<p>In the governmental funds, repayments of long-term debt are reported as expenditures. Repayments of long-term debt are not reported in the statement of activities, but instead, are a reduction of liabilities.</p>		
		521,152
<p>Governmental funds report the effect of debt issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Amortization of bond issuance costs and bond discount		(39,637)
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		1,993,404
Depreciation expense		(505,250)
<p>Gains on the sale of capital assets are reported as an general revenue in the statement of activities</p>		
		109,991
<p>Losses on disposals of capital assets are reported as a program expense in the statement of activities</p>		
		(331,500)
<p>The sale of capital assets provides current financial resources to governmental funds, but has effect on net assets, only to the extent of the gain on sale.</p>		
		(4,650,400)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in interest payable		9,024
Change in pollution remediation obligation		59,608
Change in compensated absences		(96,680)
Project loan forgiveness		<u>(39,102)</u>
Change in net assets (page 12)	\$	<u><u>3,809,949</u></u>

The notes to the basic financial statements are an integral part of this statement.

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

**REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity

The Redevelopment Agency (Agency) of Placer County (County) was formed in April 1991 for the purpose of administering and financing the development of certain unincorporated areas within the County. The Agency's Board of Directors is composed of the Board of Supervisors of the County. The Agency is therefore reported as a component unit of the County. The Agency has created three redevelopment project areas within the County: the North Lake Tahoe Redevelopment Project Area, established in July 1996; the North Auburn Redevelopment Project Area, established in June 1997, and the Sunset Industrial Redevelopment Project Area, established in June 1997.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the Agency's activities. The effect of interfund activity has been removed from these statements. The Agency is only engaged in governmental activities, which normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within 90 days of the end of the current fiscal year, except for property taxes which are considered available if collected within 60 days of the end of the fiscal year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and pollution remediation, are recorded only when payment is due.

Property taxes, intergovernmental and investment earnings associated with the current fiscal period are all considered as being susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the Agency receives cash.

When both restricted and unrestricted net assets are available, restricted resources are used first, then unrestricted resources as they are needed.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Agency reports the following major governmental funds:

Low and Moderate Income Special Revenue Fund is used to account for the receipt of the mandated 20% set-aside of tax increment revenues, and loan and bond proceeds available to be used by the Agency for the purposes of increasing and improving the County's supply of housing for persons and families of low or moderate income. Expenditures from these funds are for debt service requirements on bonds issued for redevelopment purposes, operations and housing projects and programs. The administrative and planning expenditures made from this fund are necessary for the production, improvement and preservation of low- and moderate-income housing.

Capital Projects Fund accounts for the receipt of tax increment revenue, loan and bond proceeds, interest income on invested funds and certain miscellaneous income for each of the Agency's three redevelopment project areas. Expenditures from these funds are for expenditures for debt service requirements on bonds issued for redevelopment purposes, operations and capital projects.

Property Taxes

The Agency receives incremental property taxes on property within its project area over a base-assessed valuation on the date the project area was established. The County bills and collects property taxes and remits to the Agency its share of the amount levied net of pass-throughs. Property taxes are determined annually as of March 1 and attach as an enforceable lien on real property as of January 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. The County bills and collects property taxes and remits them to the Agency. The Agency participates in the County "Teeter Plan" method of property tax distribution. Under the Teeter Plan, the County remits property taxes to the Agency based upon assessments, not collections. Property tax revenue is recognized in the funds when it is available and measurable. The Agency considers property taxes as available if they are apportioned within 60 days after year-end.

The Agency has agreements with several agencies under which it must pass-through a portion of property tax increments to those agencies. Taxes are stated net of the pass-throughs to these agencies.

Prepaid Items

Payments for services that will benefit future accounting periods are recorded as prepaid items. In the Agency's funds there is a nonspendable fund balance equal to the amount of the prepaid items since these amounts are not available in spendable form.

Notes Receivable

Notes receivable represent loans made for redevelopment, economic development, first-time homebuyer and property rehabilitation. A loan committee approves the loans and deferral of payments. The Agency defers the revenue associated with notes receivables.

Deferred Charges

Deferred charges represent bond issuance costs incurred from the issuance of the Tax Allocation Bonds. The bond issuance costs are amortized on the straight-line basis over the lives of the related debt. As of June 30, 2011 bond issuance costs were \$1,090,427 with accumulated amortization of \$178,711. Amortization expense for the year ended June 30, 2011 was \$36,348.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The Agency's investment in capital assets includes land, infrastructure, buildings, equipment, construction in progress, and intangible assets. Capital assets are recorded at historical cost. When purchasing a new asset, the cost is the amount paid for the asset. Donated capital assets are recorded at the estimated fair value on the date of donation. Construction in progress costs are accumulated throughout the duration of the projects and are capitalized to the appropriate depreciable capital asset category at the earliest occurrence of:

- a. Execution of substantial completion contract documents,
- b. Occupancy, or
- c. When the asset is placed in service.

Standard capitalization thresholds for capitalizing assets have been established for each major class of assets as follows:

<u>Asset Type</u>	<u>Capitalization Threshold</u>
Land and intangibles	Any
Infrastructure	\$50,000
Buildings	50,000
Equipment	5,000

Capital assets are depreciated using the straight-line method over the following estimated useful lives. Depreciation is not applicable while assets are accounted for as construction in progress.

Infrastructure	10 to 65 years
Buildings and improvements	10 to 50 years
Equipment	2 to 25 years

Compensated Absences

The Agency reports a liability for compensated absences that is attributable to services already rendered as of June 30, 2011, and which are not contingent on a specific event that is outside the control of the Agency, such as employee illness. This liability is based on the probability that the Agency will eventually compensate the employees for the benefits through paid time-off or some other means, such as annual leave cash-outs or cash payments at termination or retirement. The liability is calculated based on pay rates in effect as of June 30, 2011, in addition to those salary-related payments that are directly and incrementally associated with payments made for compensated absences on termination, such as Social Security and Medicare taxes.

All regular employees of the Agency earn paid vacations annually. The amount of vacation hours is based on the years of continuous service and the bargaining unit to which the employee belongs. Except for management employees, no more than 400 hours, or 520 hours after 10 continuous years of service, may be accumulated as of the last day of the first full pay period of each calendar year. Management employees can accumulate up to 520 hours. Upon termination, employees are entitled to a lump sum payment for accrued vacation and compensatory time off.

All regular employees are given credit for eight hours sick leave each month of employment with accumulation limited or unlimited based on bargaining unit. Unless otherwise stated below, upon termination of employment, for employees working 40 hours per week, no pay shall be given for the first 24 days of sick leave in the employee's account. The remaining time for employees shall be paid at the rate of 50% of the hourly pay rate of the employee at the time of termination. Part-time employees will be paid by proportion of their scheduled hours as compared to a 40 hour position.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Each bargaining unit will be entitled to use sick leave balances upon retirement as summarized below:

- *Placer Public Employees Organization General Unit (PPEO)* – As of September 14, 2010, PPEO represented employees could accrue no more than 600 sick leave hours. Employees with balances in excess of 600 hours could no longer accrue sick leave hours until their balance falls below 600 hours and any excess balance could be paid upon retirement. On May 24, 2011, the Board of Supervisors approved the following change effective July 2, 2011: upon retirement, the first 1,500 of unused sick leave will be set aside for retiree medical benefits and any hours in excess of 1,500 contributed to CalPERS Service Credit. These hours are then used to pay the retiree's share of the health insurance premium, not to exceed 8 hours per month.
- *Management and Confidential Employees* – There is no sick leave cap for this group. However, on May 24, 2011, the Board of Supervisors approved the following change: upon retirement, Management and Confidential employees will have 100% of unused sick leave hours set aside for future retiree medical benefits.

Net Assets

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets, net of related debt, restricted and unrestricted.

Invested in capital assets, net of related debt – This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the net asset balance.

Restricted net assets – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – This category represents net assets of the Agency which are not restricted for any project or other purpose.

Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Agency is bound to honor constraints on how specific amounts can be spent.

Nonspendable fund balance – amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid items, inventories, and long-term receivables for which the payment of proceeds are not restricted or committed with respect to the nature of the specific expenditures of that fund, or (b) legally or contractually required to be maintained intact.

Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned fund balance – amounts that are constrained by the Agency’s *intent* to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose, which is the Agency’s Board.

Unassigned – amounts that constitute the negative residual balances that have no restrictions placed on them.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. IMPLEMENTATION OF NEW GOVERNMENTAL ACCOUNTING STANDARDS

The Agency adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes a hierarchy of fund balance classifications based on relative strength of the constraints imposed on the use of the resources reported in governmental funds. The intent of this Statement is to improve the usefulness of fund balance information by clearly defining the classification for more consistent application and by clarifying the definitions of the types of governmental funds. See Note A for classification definitions.

C. CASH AND INVESTMENTS

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the County	\$19,799,143
Cash and investments with Wells Fargo	<u>17,465</u>
Total Cash and investments	<u>\$19,816,608</u>

Cash and investments shown on the statement of net assets and the balance sheet represent the Agency’s share of the County Treasurer’s cash and investment pool and its deposits with financial institutions. The Agency voluntarily participates in the County Treasurer’s cash and investment pool. California Government Code Section 53600, et. seq., and the County investment policy authorize the following investments: local agency bonds, U.S. Treasury securities, U.S. agency securities, bankers’ acceptances, commercial paper, negotiable certificates of deposit, repurchase agreements, corporate notes and the California Local Agency Investment Fund (LAIF). The County has an investment committee, which performs regulatory oversight for its pool in accordance with California Government Code Section 27133. Investments are stated at estimated fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. However, the value of the pool shares in the County, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the Agency’s position in the pool.

Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County’s comprehensive annual financial report and may be obtained by contacting the County Auditor – Controller’s Office at 2970 Richardson Drive, Dewitt Center, Auburn, California 95603.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, requires additional disclosures about a government’s deposit and investment risks that include credit risk, custodial credit risk, concentration of credit risk and interest rate risk. The Agency does not have an investment policy that addresses these specific types of risk.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

C. CASH AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates. The weighted average to maturity of the County's external investment pool as of June 30, 2011 was 1,480 days.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County external investment pool is not rated.

Custodial Credit Risk and Concentration of Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Agency will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Agency will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

- The California Government Code requires that a financial institution secure deposits made by state and local governmental units by pledging securities in an undivided collateral pool that must equal at least 110% of the total amount deposited by public agencies; and
- The California Government Code also allows financial institutions to secure deposits by pledging first trust deed mortgage notes that have a value of 150% of the governmental unit's total deposits.

As of June 30, 2011, the carrying amount and bank balance of the Agency's deposits were \$17,465, which are fully insured by federal depository insurance.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Agency's investment in a single issuer. The Agency is not exposed to custodial credit risk or concentration of credit risk for its investments as it participates in the County's external investment pool, and therefore is not subject to such risks.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

D. NOTES RECEIVABLE AND DEFERRED REVENUE

At June 30, 2011, the Agency's notes receivable and related deferred revenue totaled:

Low and Moderate Income Fund

North Lake Tahoe Project Area			
First-Time Homebuyer	\$	150,000	
Home Rehabilitation		5,461	
Kings Beach Housing Associates		8,367,082	
Total North Lake Tahoe Project Area		8,367,082	\$ 8,522,543
North Auburn Project Area			
Auburn Court Apartments, LP		39,000	
Quartz Ridge Family Apartments, LP		171,987	
Total North Auburn Project Area		171,987	210,987
Sunset Industrial Project Area			
First-Time Homebuyer		466,667	
Home Rehabilitation		152,890	
Total Sunset Project Area		466,667	619,557
Total Low and Moderate Income Fund			\$ 9,353,087

Capital Projects Fund

North Lake Tahoe Project Area			
Façade Improvement	\$	201,349	
B.B., LLC		4,644,083	
Total North Lake Tahoe Project Area		4,644,083	\$ 4,845,432
North Auburn Project Area			
Commercial		94,939	
Façade Improvement		199,475	
Total North Auburn Project Area		199,475	294,414
Total Capital Projects Fund			\$ 5,139,846
Total All Funds			\$ 14,492,933

First-Time Homebuyer Assistance Loans

The Agency provided mortgage assistance loans utilizing housing set-aside funds to first-time homebuyers as funding match for County HOME and CDBG grant funded loans as well as second mortgage assistance loans to median and moderate-income households who did not qualify for low-income restricted loans. As of June 30, 2011, the Agency had six (6) outstanding First-Time Homebuyer Assistance Loans receivable, which included one (1) loan in the North Lake Tahoe Project Area totaling \$150,000 and five (5) loans in the Sunset Project Area totaling \$466,667.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

D. NOTES RECEIVABLE AND DEFERRED REVENUE (Continued)

Housing Rehabilitation Loans

The Agency administers a housing rehabilitation loan program using County grant funds and Redevelopment Agency Low and Moderate Income Housing funds. The funds are provided in the form of low-interest loans to low-income households to rehabilitate their homes. As of June 30, 2011, the Agency had three (3) outstanding Housing Rehabilitation Loans receivable, which included one (1) loan in the North Lake Tahoe Project Area totaling \$5,461 and two (2) loans in the North Auburn Project Area totaling \$152,890.

Kings Beach Housing Associates

The Agency assembled five scattered, affordable housing development sites and related infrastructure improvements located on property in Kings Beach and demolished existing structures and cleaned toxic contaminants. An agreement with Kings Beach Housing Associates (the developer) provided for the sale of the property for the construction of Kings Beach Scattered Sites Housing Project. The developer executed a loan payable to the Agency for \$7,918,300 in exchange for the five scattered sites and the repayment of their existing \$3,267,500 predevelopment loan with the Agency. The interest rate is 3% and is secured by a deed of trust on the property. Payments of principal and interest are to be made from residual cash flow as defined in the promissory note, with the full amount outstanding to be due the earliest of fifty-five years from the date of the note, when the property is sold or refinanced, or in the event of a default of the loan agreements. As of June 30, 2011, the outstanding loan balance was \$7,918,300.

In addition to the above note, on January 25, 2011, the Agency executed a loan agreement with the developer for \$3,314,400 funded by the Infill Infrastructure Grant. The loan proceeds are to be used for costs incurred in connection with the development of infrastructure improvements on four of the five scattered sites. No interest will be accrued on the principal balance of the note. The full amount outstanding is due the earliest of fifty-five years from the date of the note, when the property is sold or refinanced, or in the event of a default of the loan agreements. As of June 30, 2011, \$448,782 had been advanced.

Auburn Courts Apartments, LP

The Agency loaned the Auburn Court Apartments, a California Limited Partnership, \$39,000 of North Auburn Project Area Tax Increment funds for the payment of impact fees for a 60-unit affordable housing development adjacent to the Project Area. The loan is non-interest bearing except in the event of default, and the principal payment has been deferred for fifty-five years. The note is secured by a deed of trust on the Auburn Court Apartments' fee interest in the property.

Quartz Ridge Family Apartments, LP

During the year ended June 30, 2011, the Agency entered into a Disposition and Development Agreement (DDA) with the Quartz Ridge Family Apartments, L.P., a California limited partnership (developer) which provides for the disposition of certain real property by the Agency to the Developer and provides for additional financial assistance in the form of a loan for the construction of a sixty-four (64) unit multifamily rental housing project that includes: i) four (4) units to be rented at an affordable housing cost to "extremely low income households," which are persons and families whose income is at or below thirty percent (30%) of area median income adjusted for family size as established on an annual basis by the California State Department of Housing and Community Development; ii) sixteen (16) units to be rented at an affordable housing cost to "very low income households," which are persons and families whose income is at or below fifty percent (50%) of area median income adjusted for family size as established on an annual basis by the California State Department of Housing and Community Development; and iii) eleven (11) units to be rented at an affordable housing cost to "low income households," which are persons and families whose income is at or below eighty percent (80%) of area median income adjusted for family size as established on an annual basis by the California State Department of Housing and Community Development.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
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D. NOTES RECEIVABLE AND DEFERRED REVENUE (Continued)

On July 13, 2010 the Agency entered into a \$100,000 Predevelopment Loan Agreement with the Quartz Ridge Family Apartments, L.P., a California limited partnership (developer) with proceeds to be spent exclusively to cover the Predevelopment Costs and no other expenses. On January 25, 2011 the Predevelopment Loan Agreements was amended to provide an additional \$250,000 for the development of improvement plans including architectural and engineering design, legal review, County consultation/plan review fees, and administrative costs for the processing of prints, and copies of plans for submittal to the Placer County Community Development Resource Agency for a total Predevelopment Loan of \$350,000. As of June 30, 2011, \$171,987 had been advanced.

Façade Improvement Loans

The Agency's Façade Improvement Loan Program offers loans up to \$30,000 to eligible applicants with applicable property(s) located within a Redevelopment Project Area with proceeds to be used for storefront renovations, signage, exterior doors, windows, shutters, awnings, exterior lighting, roof line modifications, landscaping, sidewalks and street improvements, improvements required to meet Americans with Disabilities Act requirements, design and/or engineering fees and certain planning costs. Interest rates are determined on a case-by-case basis by the Placer County Loan Advisory Board. Forgiveness of the loan is granted to applicants that maintain compliance with their loan agreement throughout the term of their loan. Loans up to \$14,999 are forgiven twenty percent (20%) at the end of each year, 1 through 5 and loans \$15,000-\$30,000 are forgiven twenty percent (20%) at the end of each year, 6 through 10. All loans are secured by the property that is improved and/or by a personal guarantee of the borrower. Collateral may also include deeds of trust on other real property. As of June 30, 2011, the Agency had fourteen (14) outstanding Façade Improvement Loans receivable, which included six (6) loans in the North Lake Tahoe Project Area totaling \$201,349 and eight (8) loans in the North Auburn Project Area totaling \$199,475..

Commercial Rehabilitation Loans

The Agency's Commercial Rehabilitation Loans are designed to stimulate building improvements and upgrade the appearance of commercial properties in the Agency's three (3) Redevelopment Project Areas. The loans provide gap financing in conjunction with a private lender or serves as financing of last resort for projects that are within program limits with proceeds to be used for design fees, architecture fees, engineering costs, building improvements or expansion, structural rehabilitation, associated public pedestrian walkways, landscaping, street improvements, hazardous waste cleanup, and/or other improvements or planning costs. Loan interest rates are determined on a case-by-case basis by the Placer County Loan Advisory Board. All loans are secured by the property that is improved and/or by a personal guarantee of the borrower. Collateral may also include deeds of trust on other real property. As of June 30, 2011, the Agency had two (2) outstanding Commercial Rehabilitation Loans in the North Auburn Project Area totaling \$94,939..

B.B, LLC

On July 24, 2007, the Agency entered into an Exclusive Negotiating Rights Agreement with BB, LLC for the implementation of a proposed mixed-use redevelopment project know as the 'Kings Beach Town Center Project'. A Predevelopment Loan Agreement was authorized with BB, LLC for \$500,000 on June 10, 2008. As of June 30, 2011,\$394,083 has been advanced and is due November 1, 2011.

BB, LLC acquired its portion of the project site with the help of mortgage loans from Central Pacific Bank and Umpqua Bank. The term of one Central Pacific Bank loan for \$1,300,000 expired January 10, 2010 and term of the other Central Pacific Bank loan for \$937,500 expired March 17, 2010. The original principal amount of the Umpqua Bank loan was for \$4,600,000. In March of 2010, the Agency acquired from BB, LLC property on Trout Avenue in Kings Beach which has subsequently been included in the Kings Beach Scattered Sites Housing Project. As a result of that transaction principal amount of the Umpqua Bank loan amount stood at \$4,238,097 when it matured on February 25, 2010.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

D. NOTES RECEIVABLE AND DEFERRED REVENUE (Continued)

BB, LLC requested that the Agency acquire the bank loans in order to avoid foreclosure and allow the project to continue to proceed through design review and construction. If the bank foreclosed on the loan, there was a likelihood that the property would be divided among multiple new owners and the currently proposed mixed-use town center proposal could not be realized.

The Agency entered into the Loan Purchase Agreement for all three loans acquiring first mortgage loans and related documents, including loan guaranties by the borrower, at a discounted price. The Agency replaced the bank as the first lien holder. Two first mortgage loans were purchased on October 27, 2010, from Central Pacific Bank in the amount of \$1,450,000 at a discount of \$787,500. The Umpqua Bank loan was acquired for \$2,800,000 at a discount of \$1,438,097. As of June 30, 2011, the outstanding loan balances (net of discount) totaled \$4,250,000.

At a later time the Agency will modify the terms of the loans through a new agreement with BB, LLC. Currently, the activities of the Redevelopment Agency have been suspended by a California Supreme Court stay while the court reviews a lawsuit dealing with proposed California budget cuts and possible Agency closure. It is expected that the terms of the new agreement will be tied to required performance by BB, LLC on implementing a redevelopment project on the land.

E. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2011 was as follows:

	July 1, 2010	Additions and Transfers In	Deletions and Transfers Out	June 30, 2011
Governmental activities:				
Capital assets, not being depreciated:				
Intangible assets	\$ 1,521,446	\$ -	\$ (666,723)	\$ 854,723
Land	9,311,088		(2,005,659)	7,305,429
Construction in progress	2,985,300	826,880	(321,319)	3,490,861
Total capital assets not being depreciated	<u>13,817,834</u>	<u>826,880</u>	<u>(2,993,701)</u>	<u>11,651,013</u>
Capital assets, being depreciated:				
Land improvements	713,714	401,770	-	1,115,484
Buildings and improvements	2,296,049	-	(2,296,049)	-
Equipment	28,982	-	-	28,982
Infrastructure	7,374,575	1,086,073	-	8,460,648
Total capital assets being depreciated	<u>10,413,320</u>	<u>1,487,843</u>	<u>(2,296,049)</u>	<u>9,605,114</u>
Less accumulated depreciation for:				
Land improvements	(36,720)	(36,721)	-	(73,441)
Building and improvements	(85,042)	(11,480)	96,522	-
Equipment	(9,878)	(2,116)	-	(11,994)
Infrastructure	(698,577)	(454,933)	-	(1,153,510)
Total accumulated depreciation	<u>(830,217)</u>	<u>(505,250)</u>	<u>96,522</u>	<u>(1,238,945)</u>
Total capital assets, being depreciated, net	<u>9,583,103</u>	<u>982,593</u>	<u>(2,199,527)</u>	<u>8,366,169</u>
Capital assets, net	<u>\$ 23,400,937</u>	<u>\$ 1,809,473</u>	<u>\$ (5,193,228)</u>	<u>\$ 20,017,182</u>

Depreciation expense of \$505,250 was charged to the Commercial Development function of the Agency.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

F. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2011 was as follows:

	July 1, 2010	Additions	Reductions	June 30, 2011	Due Within One Year
Governmental Activities:					
California Housing Finance Agency	\$ 958,923	\$ -	\$ -	\$ 958,923	\$ -
California Housing Finance Agency (accrued interest due at maturity)	174,099	28,734	-	202,833	-
Wells Fargo	500,000	-	-	500,000	500,000
Wells Fargo	600,000	-	-	600,000	600,000
California Infrastructure and Economic Development Bank	283,337	-	(7,720)	275,617	7,956
California Infrastructure and Economic Development Bank	1,428,454	-	(37,358)	1,391,096	38,456
California Infrastructure and Economic Development Bank	469,061	-	(11,074)	457,987	11,396
Series A Tax Allocation Bond	14,925,000	-	(305,000)	14,620,000	315,000
Series B Tax Allocation Bond	3,320,000	-	(70,000)	3,250,000	75,000
Series C Tax Allocation Bond	5,625,000	-	(90,000)	5,535,000	95,000
Bond Discount	(85,801)	-	3,289	(82,512)	(3,289)
Pollution Remediation Obligation	412,360	-	(59,608)	352,752	220,196
Compensated Absences	69,391	226,283	(129,603)	166,071	16,608
	<u>\$ 28,679,824</u>	<u>\$ 255,017</u>	<u>\$ (707,074)</u>	<u>\$ 28,227,767</u>	<u>\$ 1,876,323</u>

During the year ended June 30, 2004, the Agency entered into a loan agreement with the California Housing Finance Agency (CHFA) in the amount of \$1,500,000, for the construction of multi-family housing. The loan has an interest rate of 3% per annum and matures on October 2, 2012. As of June 30, 2011 the Agency had drawn down \$958,923 of the \$1,500,000 amount available. No repayment of principal or interest is due until the maturity date.

During the year ended June 30, 2005, the Agency entered into a loan agreement with Wells Fargo Bank in the amount of \$500,000. The proceeds were used for the purchase of land to be used in the construction of the Minnow Avenue Parking Lot in Kings Beach, which is located in the North Tahoe Project Area. The loan was paid off on September 7, 2011.

During the year ended June 30, 2007, the Agency entered into a loan agreement with Wells Fargo Bank in the amount of \$600,000. The loan has an interest rate of 2% per annum and matures on May 8, 2012. No principal repayment is due until the maturity date. The proceeds were applied to the purchase of 8776-8774 North Lake Boulevard in Kings Beach, a property which is part of an environmental cleanup project.

During the year ended June 30, 2006, the Agency entered into a loan agreement with the California Infrastructure and Economic Development Bank (CIEDB) in the amount of \$312,000. The loan has an interest rate of 3.05% per annum and matures on August 1, 2034. The proceeds were used for the construction of the Brook Avenue parking lot. As of June 30, 2011 the outstanding loan balance was \$275,617.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
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F. LONG-TERM LIABILITIES (Continued)

The Agency also entered into a loan agreement, during the year ended June 30, 2007, with the CIEDB in the amount of \$1,500,000, to be used as partial financing of the Auburn Plaza Project, in the North Auburn Project Area. The Agency drew down the available \$1,500,000 with CIEDB during the year ended June 30, 2008. This loan has an interest rate of 2.94% and matures on August 1, 2035. Principal and interest payments are secured by a pledge of property tax revenue. As of June 30, 2011 the outstanding loan balance was \$1,391,096.

During the year ended June 30, 2008, the Agency entered into an additional loan agreement with the CIEDB in the amount of \$479,822. This note has an interest rate of 2.91% and matures on September 1, 2037. Loan proceeds were used for the Minnow Avenue Parking Lot Project in Kings Beach, which was completed on October 17, 2007. As of June 30, 2011 the outstanding loan balance was \$457,927.

During the year ended June 30, 2007, the Agency issued three separate issues of tax allocation bonds, which include the North Lake Tahoe Redevelopment Project, 2006 Series A in the principal amount of \$ 15,765,000, the North Auburn Redevelopment Project, Series B in the principal amount of \$3,520,000 and Housing Projects, Series C, in the principal amount of \$5,865,000. Interest rates range from 3.6% to 6.2%. Semi-annual interest payments are due on February 1 and August 1. Principal payments are due August 1. Principal and interest payments are payable solely from and secured by a pledge of property tax revenue. Proceeds from the sale of the bonds are being used to finance the redevelopment activities within and for the benefit of the North Lake Tahoe and North Auburn redevelopment project areas and to finance low and moderate income housing activities of the Agency.

The following is a schedule of total debt service requirements to maturity as of June 30, 2011 for the Agency:

Year Ending June 30,	Unsecured Notes Payable		Secured Notes Payable		Tax Allocation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 1,100,000	\$ 13,917	\$ 57,808	\$ 61,780	\$ 485,000	\$ 1,128,930
2013	958,923	238,872	59,513	60,049	505,000	1,107,564
2014	-	-	61,268	58,268	530,000	1,085,168
2015	-	-	63,075	56,435	545,000	1,061,836
2016	-	-	64,936	54,547	575,000	1,037,424
2017-2021	-	-	354,561	242,412	3,255,000	4,769,853
2022-2026	-	-	410,024	186,131	4,100,000	3,905,738
2027-2031	-	-	474,165	121,044	5,200,000	2,771,749
2032-2036	-	-	531,980	46,022	6,670,000	1,279,235
2037	-	-	47,370	1,388	1,540,000	39,383
	<u>\$ 2,058,923</u>	<u>\$ 252,789</u>	<u>\$ 2,124,700</u>	<u>\$ 888,076</u>	<u>\$ 23,405,000</u>	<u>\$ 18,186,880</u>

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years.

The Agency utilized an independent consultant to perform calculations of excess investment earnings on the tax exempt bonds during 2011, which determined the Agency did not incur a liability.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
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G. OPERATING LEASE OBLIGATION

The Agency leases real estate under a non-cancelable operating lease for the operation of the Jackpine Public Parking lot. Future minimum rental payments under this operating lease term in excess of one year as of June 30, 2011 are summarized as follows:

Year Ending <u>June 30,</u>		
2012	\$	47,547
2013		48,736
2014		49,955
2015		51,203
2016		52,484
2017-2021		282,767
2022-2026		319,925
2027-2031		361,966
2032-2035		323,531
		<u>\$ 1,538,114</u>

Rental payments associated with this operating lease have been recorded in the Capital Projects Fund. Total rental expenditures under operating leases for the year ended June 30, 2011 were \$46,388.

H. PLEDGED REVENUES

The Agency has pledged all future tax increment revenues, less amounts required to be set aside in the Redevelopment Agency Low and Moderate Income Fund for the repayment of the 2006 Series A and 2006 Series B Tax Allocation Bonds, the proceeds of which are to be used to finance redevelopment activities within and for the benefit of the North Lake Tahoe and North Auburn redevelopment project areas and to finance low and moderate income housing activities of the Agency. The Agency has pledged all future tax revenues required to be set aside in the Redevelopment Agency Low and Moderate Income Fund for the repayment of the 2006 Series C Tax Allocation Bonds. Series A, B, and C Tax Allocation Bonds are considered senior parity obligations. The pledge of future tax increment revenues ends upon repayment of principal and interest in the amount of \$41,591,880 in 2037. For the year ended June 30, 2011, principal and interest paid and total property tax increment revenues were \$1,614,368 and \$6,288,607, respectively.

On June 29, 2011 two bills ABX1 26 and 27 were passed as a part of the State of California's budget package. A lawsuit was filed on July 18, 2011 petitioning the California Supreme Court to overturn the bills. The California Supreme Court issued a stay of all Assembly Bill X1 27 and most of Assembly Bill X1 26 and will issue a decision before January 15, 2012. The proposed bills could dissolve or restrict redevelopment agencies. If the bills are upheld, it presents possible risks related to restrictions in Agency resources and activities as well as the timing of revenue allocation, neither piece of legislation is expected to affect overall credit quality for the bonds. The bonds have good coverage of debt service by pledged revenue and pledged reserves. The dissolution legislation states its intent to honor revenue pledges associated with enforceable obligations, including bonds. There is uncertainty in the short term, but legislative fixes are expected to address questions related to refunding and administration of existing debt, timing of payments, pledged revenues, and flow of funds if the dissolution legislation is upheld.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

H. PLEDGED REVENUES (Continued)

The CIEDB loans are secured by total taxes eligible for allocation to the Agency with respect to the Project Areas pursuant to the most recent completed fiscal year including gross tax increment revenues and all deductions for payment to the Redevelopment Agency Low and Moderate Income Fund and pass-through payments. The proceeds received from the CIEDB loans were used for the Brook Avenue parking lot, Minnow Avenue parking lot, and Auburn Plaza projects. The pledge of tax increment revenues totals \$3,012,776, which equals the total principal and interest payments outstanding on the loan, and ends upon the repayment of the outstanding loans in August 2037. For the year ended June 30, 2011, principal and interest paid and total property tax increment revenues were \$119,612 and \$6,288,607 respectively.

I. POLLUTION REMEDIATION OBLIGATIONS

The Agency is obligated to perform environmental assessment and remediation activities on two projects. The nature and source of pollutants on the former Swiss Mart Gas Station located at 8797 North Lake Boulevard in Kings Beach are concentrations of TPHg, benzene and MTBE. Remediation cleanup activities are estimated at \$6,600 and post remediation groundwater monitoring is estimated at \$99,000 to destroy all wells assuming site closure can be obtained from the Lahontan Regional Water Quality Board. The nature and source of pollutants of the former Ronning Service Station property located at 8784 North Lake Boulevard are concentrations of TPHg and benzene. Remediation cleanup activities consisting of the removal and disposal of contaminants are estimated at \$247,152. Total remediation costs of these projects total \$352,752 which were derived by staff and environmental remediation consultants. The estimated costs are recorded as long-term liabilities in the statement of net assets.

J. RISK MANAGEMENT

The County is a member of the California State Association of Counties (CSAC) and one of the benefits is that they offer commercial coverage to small public legal entities that are created to work exclusively for a County. The Agency is eligible to participate in the Special Liability Insurance Program (SLIP) since they meet this definition. The Agency participates in the SLIP which provides primary commercial liability coverage. The Agency has the following coverage through a primary insurance policy with Allied World National Assurance Company. Allied is rated as A Excellent, FSC XV (highest rating) with A.M. Best Company. The Agency's limits are \$5,000,000 for General Liability with a \$1,000 deductible, \$5,000,000 for Public Officials Errors and Omissions with a \$2,500 deductible. The Agency's owned rental properties are covered for property damage, fire, and general liability. The County has added the Agency as a Named Insured for coverage under the Placer County Property Program which provides coverage to all properties owned by the Agency.

Agency employees are County employees and are covered by the County's Workers' Compensation Self Insurance Program and excess insurance policy. The limits are \$50,000,000 with a \$300,000 self insured retention. The Agency has no open liability claims or pending litigation. The Agency does have workers compensation claims that are managed through the County self-insurance program. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

K. RELATED PARTY

The County provides a variety of services to the Agency including management, accounting, and legal services, as well as providing services specific to redevelopment projects. The following significant transactions were made during the year ended June 30, 2011. The Agency paid approximately \$1,604,550 in salaries and wages to County employees allocated to the Agency and \$788,753 for County support services. The Agency contributed \$75,000 to the County's Community Revitalization Fund to grant related expenditures which exceeded available grant funds and \$86,664 was contributed to the Placer County Economic Development Department for the North Lake Tahoe Main Street Program.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
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L. COMMITMENTS

The Agency Board passed two resolutions, one on October 19, 2010 authorizing a loan of \$1,450,000 and another on November 23, 2010 authorizing a second loan of \$1,550,000 in tax increment funds from the Sunset Industrial Project Area to the North Lake Tahoe Project Area for a total amount of \$3,000,000. The loan is for redevelopment of property at 8611 and 8623 North Lake Boulevard, Kings Beach. The loans will be repaid in five years with an interest rate equal to the average Placer County Investment Pool rate applicable to the preceding four calendar quarters.

M. EXCESS SURPLUS CALCULATION

The following represents the excess surplus calculation as of July 1, 2010:

Opening Fund Balance		\$ 5,226,637
Less Unavailable Amounts:		
Unspent debt proceeds (Section 33334.12 (g)(3)(B))	<u>\$ (1,060,835)</u>	<u>(1,060,835)</u>
Available Low and Moderate Income Housing Funds		<u>\$ 4,165,802</u>
Limitation (greater of \$1,000,000 or four years set-aside)		
Set-Aside for last four years:		
Prior Year 1	\$ 2,143,726	
Prior Year 2	2,031,722	
Prior Year 3	1,802,465	
Prior Year 4	<u>1,560,066</u>	
Total	<u>\$ 7,537,979</u>	
Base limitation	<u>\$ 1,000,000</u>	
Greater amount		<u>\$ 7,537,979</u>
Computed Excess/Surplus		<u>None</u>

N. CONTINGENCIES

Recent Changes in Legislation Affecting California Redevelopment Agencies

On June 29, 2011, the Governor of the State of California signed Assembly Bill X1 26 (ABX1 26), the Redevelopment Agency Dissolution Act, and Assembly Bill X1 27 (ABX1 27), the Redevelopment Agency Voluntary Program Act as part of the State's budget package. ABX1 26 requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency. ABX1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by ABX1 26. The bills took effect immediately upon the Governor's signature.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
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N. CONTINGENCIES (Continued)

ABX1 27 provides a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. Under this program, each County would adopt an ordinance agreeing to make certain payments to the County Auditor Controller in fiscal year 2011-12 and annual payments each fiscal year thereafter. AB X1 26 indicates that the County “may use any available funds not otherwise obligated for other uses” to make this payment. The Agency intends to use available monies for this purpose and the County and Agency have approved a reimbursement agreement to accomplish that objective. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the state legislature. Adoption of this ordinance and participation in the payment program is the only means under the legislation to suspend the restrictions imposed through ABX1 26 on Agency activities.

On August 9, 2011, the Board of Supervisors adopted County of Placer Urgency Ordinance No. 5649B electing to participate in the Voluntary Alternative Redevelopment Program. The ordinance took effect immediately. Concurrently, a resolution was adopted by the Redevelopment Agency Board to execute a Remittance Agreement with the County for the payment amount established by the State of \$3,806,964 with one half due on January 15, 2012 and the other half due May 15, 2012. Thereafter, an estimated \$895,856 will be due annually. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the State Legislature. The semi-annual payments will be due on January 15 and May 15 of each year and would increase or decrease with changes in tax increment. Additionally, an increased amount would be due to schools if any "new debt" is incurred. ABX1 27 allows a one-year reprieve on the agency's obligation to contribute 20% of tax increment to the low-and-moderate-income housing fund so as to permit the Agency to assemble sufficient funds to make its initial payments. Failure to make these payments would require agencies to be terminated under the provisions of ABX1 26.

The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bills X1 26 and 27 on the grounds that these bills violate the California Constitution. On August 11, 2011, the California Supreme Court issued a court order staying the implementation of Assembly Bill X1 27 in its entirety and most of Assembly Bill X1 26 except the provisions which restrict the Agency's business to maintaining existing financial and contractual obligations as discussed above. The California Supreme Court stated in its order that “the briefing schedule is designed to facilitate oral argument as early as possible in 2011, and a decision before January 15, 2012.” A second order issued by the California Supreme Court on August 17, 2011 served to “clarify” its prior order. The Court lifted the stay on those provisions of Assembly Bills X1 26 and 27 that provide for the filing of an appeal of the determination of the community remittance payment by August 15, the requirement to adopt an Enforceable Obligations Payment Schedule (“EOPS”) by August 29, 2011, and the requirement to prepare a preliminary draft of the initial Recognized Obligation Payment Schedule (“ROPS”) by September 30, 2011. The Agency has complied with these requirements. At a special meeting held on August 26, 2011 the Agency Board adopted an Enforceable Obligation Payment Schedule and the Agency prepared a Recognized Obligation Payment schedule prior to September 30, 2011. The Recognized Obligation Payment schedule identifies all payments that the Agency must expend through June 30, 2012 to meet its enforceable obligation. Enforceable obligations include bonds, loans and payments required by the federal or State government; legally enforceable payments required in connection with agency employees such as pension payments and unemployment payments, judgments or settlements; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the agency that are permitted for purposes set forth in AB1X 26.

As noted above, once the Board adopted Ordinance No. 5649B on August 9, 2011, the Agency was permitted to resume conducting business as usual. The import of the Court's stay on August 11, 2011 was to return the Agency to its restricted status, imposed by ABX1 26. The Agency will remain in this restricted status until the Court renders its decision. The Agency continues to satisfy and implement enforceable obligations as defined in AB X1 26.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

N. CONTINGENCIES (Continued)

Management believes that the Agency will have sufficient funds to pay its obligations as they become due during the fiscal year ending June 30, 2012. The nature and extent of the operation of redevelopment agencies in the State of California beyond that time frame are dependent upon the outcome of litigation surrounding the actions of the state. In the event that ABX1 26 is upheld and ABX1 27 is not, reimbursements previously paid by the Agency to the County for shared administrative services may be reduced or eliminated. In the event that ABX1 26 is overturned and ABX1 27 is upheld, it is hoped that the ordinances previously adopted by agencies to opt into the payment program will be recognized by the Court and allow those agencies to resume full operations without delay. How or when the Court may ultimately rule is however, to date, unknown. In the event that both bills are found by the courts to be unconstitutional, there is still a possibility that future legislative acts may create new challenges to the ability of redevelopment agencies in the State of California to continue in view of the California State Legislature's stated intent to eliminate California redevelopment agencies and to reduce their funding.

REQUIRED SUPPLEMENTARY INFORMATION

REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
LOW AND MODERATE INCOME SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 2,152,205	\$ 1,926,708	\$ 1,886,771	\$ (39,937)
Investment earnings	--	--	53,135	53,135
Intergovernmental contributions	4,523,551	4,523,551	569,844	(3,953,707)
Rental	--	--	679	679
Project loan repayments - principal	--	--	5,510	5,510
Project loan repayments - interest	--	--	4,348	4,348
Other income	--	--	5,738	5,738
	<u>6,675,756</u>	<u>6,450,259</u>	<u>2,526,025</u>	<u>(3,924,234)</u>
Expenditures:				
Current:				
Administration and planning	844,764	920,715	570,619	350,096
Intergovernmental payments	67,380	67,380	91,945	(24,565)
Project loans issued	7,868,565	13,486,646	6,844,353	6,642,293
Capital outlay:				
Project costs	289,970	289,970	289,970	-
Debt service:				
Principal	90,000	90,000	90,000	-
Interest	144,553	339,718	339,717	1
	<u>9,305,232</u>	<u>15,194,429</u>	<u>8,226,604</u>	<u>6,967,825</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,629,476)</u>	<u>(8,744,170)</u>	<u>(5,700,579)</u>	<u>(3,043,591)</u>
Other financing sources:				
Proceeds from sale of capital assets	--	4,650,400	4,650,400	--
Net change in fund balances	<u>\$ (2,629,476)</u>	<u>\$ (4,093,770)</u>	(1,050,179)	<u>\$ (3,043,591)</u>
Fund balance, beginning of year			<u>5,226,637</u>	
Fund balance, end of year			<u>\$ 4,176,458</u>	

The notes to the basic financial statements are an integral part of this statement.

**REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011**

A. BUDGETARY POLICIES

The Agency follows these procedures in establishing the budgetary data reflected in the schedule of revenues, expenditures and changes in fund balance – budget and actual – low and moderate income special revenue fund:

1. The Agency Redevelopment Director submits to the Redevelopment Agency Board (the Board) no later than June 30 of each year, a proposed budget for the fiscal year commencing the following July 1. The budget identifies expected sources of revenue and recommended program and capital expenditure and reserve uses for the next fiscal year.
2. A Final Budget is submitted for consideration and adoption by September 30th of each year.
3. The Board reviews the proposed budget at specially scheduled sessions that are open to the public.
4. The budget is legally enacted through passage of a resolution.
5. The budget for the low and moderate income special revenue fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Budgeted amounts are reflected for the original and final budget.
7. Budgetary control is exercised at the budget unit level, which is the same as the fund level for the Agency. All amendments or transfers of appropriations are approved by the Agency's board.

OTHER SUPPLEMENTARY INFORMATION

REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)
BALANCE SHEET BY PROJECT AREA
LOW AND MODERATE INCOME SPECIAL REVENUE FUND
JUNE 30, 2011

	<u>North Lake Tahoe</u>	<u>North Auburn</u>	<u>Sunset Industrial</u>	<u>Total</u>
Assets				
Cash and investments	\$ 1,437,373	\$ 2,274,300	\$ 559,065	\$ 4,270,738
Due from other governments	1,188	1,470	3,553	6,211
Interest receivable	1,820	3,058	755	5,633
Prepaid items	1,227	288	367	1,882
Notes receivable	8,522,543	210,987	619,557	9,353,087
Total assets	<u>\$ 9,964,151</u>	<u>\$ 2,490,103</u>	<u>\$ 1,183,297</u>	<u>\$ 13,637,551</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 44,023	\$ 86	\$ 10,863	\$ 54,972
Accrued salaries and benefits	24,728	8,463	11,470	44,661
Due to other governments	5,529	1,302	1,542	8,373
Deferred revenue	8,522,543	210,987	619,557	9,353,087
Total liabilities	<u>8,596,823</u>	<u>220,838</u>	<u>643,432</u>	<u>9,461,093</u>
Fund balances:				
Nonspendable:				
Prepaid expense	1,227	288	367	1,882
Restricted:				
Housing programs	399,311	1,824,712	438,288	2,662,311
Debt service	260,044	68,146	101,210	429,400
Assigned:				
Debt service	706,746	376,119	--	1,082,865
Total fund balances	<u>1,367,328</u>	<u>2,269,265</u>	<u>539,865</u>	<u>4,176,458</u>
Total liabilities and fund balances	<u>\$ 9,964,151</u>	<u>\$ 2,490,103</u>	<u>\$ 1,183,297</u>	<u>\$ 13,637,551</u>

The notes to the basic financial statements are an integral part of this statement.

REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BY PROJECT AREA
LOW AND MODERATE INCOME SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>North Lake Tahoe</u>	<u>North Auburn</u>	<u>Sunset Industrial</u>	<u>Total</u>
Revenues:				
Taxes	\$ 1,247,766	\$ 307,635	\$ 331,370	\$ 1,886,771
Investment earnings	10,308	35,419	7,408	53,135
Intergovernmental contributions	567,874	1,970	--	569,844
Rental	679	--	--	679
Project loan repayments - principal	--	--	5,510	5,510
Project loan repayments - interest	--	--	4,348	4,348
Other income	48	2,340	3,350	5,738
	<u>1,826,675</u>	<u>347,364</u>	<u>351,986</u>	<u>2,526,025</u>
Expenditures:				
Current:				
Administration and planning	309,841	96,777	164,001	570,619
Intergovernmental payments	73,528	8,608	9,809	91,945
Project loans issued	6,672,366	171,987	--	6,844,353
Capital outlay:				
Project costs	237,136	52,834	--	289,970
Debt service:				
Principal	54,504	14,283	21,213	90,000
Interest	205,733	53,913	80,071	339,717
	<u>7,553,108</u>	<u>398,402</u>	<u>275,094</u>	<u>8,226,604</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,726,433)</u>	<u>(51,038)</u>	<u>76,892</u>	<u>(5,700,579)</u>
Other financing sources:				
Proceeds from sale of capital assets	<u>4,650,400</u>	<u>--</u>	<u>--</u>	<u>4,650,400</u>
Net change in fund balances	(1,076,033)	(51,038)	76,892	(1,050,179)
Fund balances, beginning of year	<u>2,443,361</u>	<u>2,320,303</u>	<u>462,973</u>	<u>5,226,637</u>
Fund balances, end of year	<u>\$ 1,367,328</u>	<u>\$ 2,269,265</u>	<u>\$ 539,865</u>	<u>\$ 4,176,458</u>

The notes to the basic financial statements are an integral part of this statement.

REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)
BALANCE SHEET BY PROJECT AREA
CAPITAL PROJECTS FUND
JUNE 30, 2011

	North Lake Tahoe	North Auburn	Sunset Industrial	Total
Assets				
Cash and investments	\$ 13,373,314	\$ 1,846,280	\$ 326,276	\$ 15,545,870
Due from other governments	1,467	347	657	2,471
Interest receivable	18,022	2,489	449	20,960
Prepaid items	3,258	817	863	4,938
Notes receivable, net of discount	4,845,432	294,414	--	5,139,846
Advance due from other project areas	--	--	3,000,000	3,000,000
Total assets	\$ 18,241,493	\$ 2,144,347	\$ 3,328,245	\$ 23,714,085
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 22,182	\$ 7,593	\$ 346	\$ 30,121
Accrued salaries and benefits	44,306	20,890	14,830	80,026
Due to other governments	75,148	4,961	3,464	83,573
Deferred revenue	4,845,432	294,414	--	5,139,846
Advance due to other project areas	3,000,000	--	--	3,000,000
Total liabilities	7,987,068	327,858	18,640	8,333,566
Fund balances:				
Nonspendable:				
Prepaid expense	3,258	817	863	4,938
Restricted:				
Capital projects	8,638,284	617,813	--	9,256,097
Debt service	2,122,414	295,623	--	2,418,037
Assigned:				
Capital projects	--	879,118	3,308,742	4,187,860
Encumbrances	--	23,118	--	23,118
Unassigned	(509,531)	--	--	(509,531)
Total fund balances	10,254,425	1,816,489	3,309,605	15,380,519
Total liabilities and fund balances	\$ 18,241,493	\$ 2,144,347	\$ 3,328,245	\$ 23,714,085

The notes to the basic financial statements are an integral part of this statement.

REDEVELOPMENT AGENCY OF PLACER COUNTY
(A COMPONENT UNIT OF THE COUNTY OF PLACER, CALIFORNIA)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BY PROJECT AREA
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>North Lake Tahoe</u>	<u>North Auburn</u>	<u>Sunset Industrial</u>	<u>Total</u>
Revenues:				
Taxes	\$ 2,870,872	\$ 723,831	\$ 807,133	\$ 4,401,836
Investment earnings	199,424	27,370	1,527	228,321
Intergovernmental contributions	--	1,054,553	--	1,054,553
Project loan repayments - principal	2,473	7,570	--	10,043
Project loan repayments - interest	--	2,791	--	2,791
Other revenues	490	--	--	490
	<u>3,073,259</u>	<u>1,816,115</u>	<u>808,660</u>	<u>5,698,034</u>
Expenditures:				
Current:				
Administration and planning	786,934	222,724	196,529	1,206,187
Intergovernmental payments	310,016	79,084	43,598	432,698
Project loans issued	4,262,435	--	--	4,262,435
Capital outlay:				
Project costs	311,079	1,392,355	--	1,703,434
Debt service:				
Principal	323,794	107,358	--	431,152
Interest	709,111	186,000	--	895,111
	<u>6,703,369</u>	<u>1,987,521</u>	<u>240,127</u>	<u>8,931,017</u>
Net change in fund balances	(3,630,110)	(171,406)	568,533	(3,232,983)
Fund balances, beginning of year	<u>13,884,535</u>	<u>1,987,895</u>	<u>2,741,072</u>	<u>18,613,502</u>
Fund balances, end of year	<u>\$ 10,254,425</u>	<u>\$ 1,816,489</u>	<u>\$ 3,309,605</u>	<u>\$ 15,380,519</u>

The notes to the basic financial statements are an integral part of this statement.

OTHER REPORTS

To the Board of Directors
Redevelopment Agency of
Placer County
Auburn, California

**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

We have audited the financial statements of the governmental activities and each major fund of the Redevelopment Agency of Placer County (Agency), a component unit of the County of Placer, California, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated December 2, 2011. Our report contained an emphasis of a matter paragraph discussing the California State Legislature's enactment of legislation that is intended to provide for the dissolution of redevelopment agencies in the State of California. Our report also contained an explanatory paragraph discussing the Agency's adoption of the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Members of the Board of Directors, management of the Agency, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Macie Mini & O'Connell LLP

Sacramento, California
December 2, 2011

To the Board of Directors
Redevelopment Agency of
Placer County
Auburn, California

Independent Auditor's Report on Compliance with Requirements that Could Have a Material Effect on the Agency and on Internal Control Over Compliance in Accordance with *Guidelines for Compliance Audits of California Redevelopment Agencies*

Compliance

We have audited the compliance of the Redevelopment Agency of the County of Placer (Agency), a component unit of the County of Placer, California, with the California Health and Safety Code as required by Section 33080.1 for the year ended June 30, 2011. Compliance with the requirements referred to above is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Guidelines for Compliance Audits of California Redevelopment Agencies, June 2011*, issued by the State Controller and as interpreted in the *Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies, August 2011*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Agency has occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that are applicable for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the Agency's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Members of the Board of Directors, management of the Agency, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Maciar Mini & O'Connell LLP

Sacramento, California
December 2, 2011

Revenue of Plaintiff Agency Of Placer County

Revenue of Plaintiff Agency Financial Transactions Report

General Information

Fiscal Year 2011

Members of the Governing Body			Agency Officials				
	Last Name	First Name	Middle Initial	Last Name	First Name	Middle Initial	Phone
Chairperson	Weygandt	Robert		Executive Director	Miller	Thomas	(530) 889-4025
Member	Montgomery	Jennifer		Fiscal Officer	Kelly	Cindy	(530) 745-3160
Member	Duran	Jack		Secretary	Holman	Ann	(530) 889-4040
Member	Uher	Kirk					
Member	Holmes	Jim		Report Prepared By		Independent Auditor	
Member				Firm Name	Kelly	Macias Gini & O Connell LLP	
Member				Last	Cindy	Robertson, CPA	
Member				First	E	Russell	
Member				Middle Initial			
Member				Street	3091 County Cntr Dr, Ste 26	3000 S Street, Suite 300	
				City	Auburn	Sacramento	
				State	CA	CA	
				Zip Code	95603	95816-	
				Phone	(530) 745-3160	(916) 928-4600	

Mailing Address		
Street 1	3091 County Center Drive, Suite #260	
Street 2		
City	Auburn	State CA Zip 95603
Phone	(503) 745-3150 <input type="checkbox"/> Is Address Changed?	

**Redevelopment Agency Of Pleacer County
Financial Transactions Report**

Audit Information

Fiscal Year 2011

Was the Report Prepared from Audited Financial Data,
and Did You Submit a Copy of the Audit?

Yes

Indicate Financial Audit Opinion

Unqualified

If Financial Audit is not yet Completed, What is the
Expected Completion Date?

If the Audit Opinion was Other than Unqualified, State
Briefly the Reason Given

Was a Compliance Audit Performed in Accordance with
Health and Safety Code Section 33080.1 and the State
Controller's Guidelines for Compliance Audits, and Did
You Submit a Copy of the Audit?

Yes

Indicate Compliance Audit Opinion

Unqualified

If Compliance Audit is not yet Completed, What is the
Expected Completion Date?

If compliance opinion includes exceptions,
state the areas of non-compliance, and
describe the agency's efforts to correct.

Redevelopment Agency Of Placer County

Report of the Redevelopment Agency of Placer County Fiscal Transactions Report

Achievement Information (Unaudited)

Fiscal Year 2011

Indicate Only Those Achievements Completed During the Fiscal Year of this Report as a Direct Result of the Activities of the Redevelopment Agency.

Please provide a description of the agency's activities/accomplishments during the past year.

(Please be specific, as this information will be the basis for possible inclusion in the publication.)

Activity Report

Highway 49 Beautification Project - The Agency hired Bennett Engineering to complete Phase I project design, environmental review, and processing of permits and approvals from Caltrans, the County and utility companies. The Agency obtained easements and landscape maintenance agreements from multiple private property owners to provide for the installation and maintenance of the Phase I project improvements. The Phase I project will include the installation of new sidewalks, landscaping and related improvements on the east side of Highway 49 between New Airport Road and Education Street. The Agency expended \$207,719 on the project.

Rock Creek Plaza - The Agency managed a CDBG grant of \$1,804,906 that was awarded by HCD for the Rock Creek Plaza Shopping Center project. The funds were used to design and install sidewalks, landscaping and associated street improvements to Highway 49, Bell Road and Quartz Drive adjacent to and within the Rock Creek Plaza Shopping Center. The financing of these public improvements has assisted a substantial facelift and upgrade to the center. During the fiscal year installation of the public improvements was completed. The Agency and State HCD confirmed that new jobs were created in the shopping center in association with the project and in compliance with CDBG grant agreement. \$260,295 of Agency funds and \$1,004,893 of CDBG grant funds were expended during the year.

Business Improvement Loans - The Agency continues to operate and market its Business Improvement Loan Program. The Agency offers three basic kinds of loans: forgivable business property facade loans up to \$30,000, commercial

Enter the amount of square footage completed this year by building type and segregated by new or rehabilitated construction.

Square Footage Completed

New Construction Rehabilitated

Commercial Buildings

Industrial Buildings

Public Buildings

Other Buildings

Total Square Footage

Enter the Number of Jobs Created from the Activities of the Agency

Types Completed

A=Utilities B=Recreation C=Landscaping D=Sewer/ Storm E=Streets/ Roads
F=Bus/Transit

Commercial Buildings		
Industrial Buildings		
Public Buildings		
Other Buildings		
Total Square Footage	0	0
Enter the Number of Jobs Created from the Activities of the Agency	74	
Types Completed	CEF	

Achievement Information (Unaudited)

property rehabilitation loans up to \$150,000 and mixed use predevelopment loans. The Agency discussed potential new loans and projects with multiple business and property owners during the year, but no loans were issued.

Quartz Ridge Housing Project - During the fiscal year the Agency approved a Disposition and Development Agreement with the development team of Quartz Ridge Family Apartments, LP. Through this agreement the Agency pledged to contribute a 6.1 acre of Agency owned property within the North Auburn Redevelopment Project Area and a \$2,000,000 residual receipts loan for the development of a 64 unit affordable family apartments project on the site. A portion of the Agency funds were used for design, engineering and related redevelopment costs, but the majority of the Agency funds and property will be conveyed when the developer obtains full funding commitments, building permits and is ready to begin construction. The developer applied for Low Income Housing Tax Credits, but did not win award of the tax credits. The developer and Agency continue to collaborate to seek funding and project implementation assistance. The Agency spent \$224,821.

The Agency assists low and moderate income homeowners to rehabilitate their homes through low interest, first time home buyer second mortgages and deferred loans, funded with North Auburn, Sunset Industrial housing and grant funds.

Highway 65/Sunset Boulevard Interchange - Construction was completed for this critical freeway interchange, which will significantly improve safety and access. The Agency contributed \$2,500,000 in tax increment funding to assist the project.

The Agency contributed \$1,000,000 for the planning and feasibility analysis of potential railroad overcrossings in the Sunset Project Area.

The Agency provided planning and technical assistance to the new Sunset Area business association as well as to individual local property owners, who have proposed various new development projects ranging from industrial parks to hotels and commercial retail uses.

Seniors First Handyperson Program - The Agency provided \$39,845 in funding to Seniors First to assist the Handyperson Program which provides free minor repairs to eligible seniors and disabled residents of the County.

Sheridan Improvements - The Agency assisted the County in applying for and receiving an \$800,000 CDBG grant. Work began on the three tiered grant program,

Achievement Information (Unaudited)

which includes housing rehabilitation loans, acquiring and installing computer and associated technology equipment at Sheridan Elementary School, as well as designing and installing improvements to the water delivery system in Sheridan.

Neighborhood Stabilization Program (NSP) - The Agency administered the NSP grant program for the County. The NSP grant program provided funding to acquire foreclosed homes, rehabilitate them and make them available for low and moderate income first time homebuyers at an affordable cost. During the year eight homes were acquired and rehabilitated. Six of the new homes were completed and resold to eligible first time homebuyers. During the year \$1,160,627 of NSP grant and program income funds were expended on the program.

In the North Lake Tahoe Plan area the Agency Board approved a new Five Year Implementation Plan for the Project Area. The new plan describes the previous activities and accomplishments as well as the goals, programs and planned activities, projects and expenditures for the next five year period. The new plan also addresses past accomplishments and planned activities and expenditures for housing production, displacement and replacement.

Tahoe City Gateway Monument Signs
Installation was completed for two gateway monument signs that decorate the main entries into Tahoe City along State Highway 89. The Agency expended \$30,927 of tax increment funds for this project during the fiscal year.

Tahoe City Transit Center
During the fiscal year construction proceeded on this project and all earthwork, paving, utility work and a substantial portion of the structures work was completed. The Agency expenditures for design costs of this project were incurred in the previous fiscal year.

Tahoe City Wye Project
The Agency has budgeted \$200,000 to design and install enhancements to the gateway intersection of Highways 28 and 89 in Tahoe City. During the fiscal year the Agency collaborated with the County Departments of Economic Development and Public Works, Caltrans, the Tahoe City Downtown Association and local residents to continue planning and preliminary design for the project.

Tahoe City Downtown Association
The Agency provided \$65,000 in funding to assist the operation of the Tahoe City Downtown Association, which coordinated local commercial revitalization activities

Achievement Information (Unaudited)

such as special events, marketing, and business assistance, using the Main Street operating model.

North Tahoe Business Association - The Agency provided \$65,000 in funding to assist the operation of the North Tahoe Business Association, which coordinated local commercial revitalization activities such as special events, marketing, and business assistance in the Kings Beach/Tahoe Vista area, using the Main Street operating model.

Deer/Rainbow Parking Lot

During the fiscal year the Agency continued planning and preliminary design work on the public parking and water quality improvements project in Kings Beach. The Agency Board approved a services agreement with the Placer County Public Works Department (DPW) to make available Agency funds for DPW to manage the project. During the fiscal year \$7,825 of Agency funds were expended on the project.

Kings Beach Eastern Gateway Project

The Agency has been incrementally acquiring parcels and conducting site cleanup on the 1.3 acre site on the south side of North Lake Boulevard, west of Chipmunk Street, in Kings Beach. During the fiscal year the Agency continued to monitor contamination issues and coordinate with the Lahontan Regional Water Quality Control Board (Lahontan) in the preparation of a site remediation plan. The Agency submitted a site remediation plan, which was approved by Lahontan. An Agency planning consultant conducted site redevelopment feasibility analysis and prepared conceptual design drawings for development the site. The Agency issued a Request for Proposals to recruit a development team for a future project. A proposal was submitted and the Agency met with the development team to refine the proposal and negotiate an Exclusive Negotiating Rights Agreement. The Agency expended \$94,199 for the site activities during the fiscal year.

Swiss Mart Project

The Agency previously acquired the site of the former Swiss Mart gas station at the northwest corner of North Lake Boulevard and Chipmunk Street in Kings Beach. In past years the Agency demolished vacant structures, removed contaminated soil and underground storage tanks, and installed fencing. During the fiscal year the Agency expended \$16,879 in tax increment funds to continue remediation of the site and to plan for potential future redevelopment.

Commercial Core Improvement Project

Achievement Information (Unaudited)

The Agency has committed to contribute \$11,000,000 in tax increment and bond funds for the Kings Beach Highway 28 Commercial Core Improvement Project. This project will reconstruct the highway corridor to provide new sidewalks, bike lanes, controlled pedestrian crossings, drainage improvements and decorative enhancements throughout the Kings Beach central business district. The Agency contributions will include the provision of nearby public parking lots (described as separate projects) as well as direct contributions to the Highway 28 Improvements. During the fiscal year the Agency approved a comprehensive Services Agreement with the County to memorialize Agency funding commitments and outline project implementation activities planned to be carried out by the County and Agency. During the fiscal year \$11,955 of Agency funds were expended on the project.

BB, LLC Mixed Use Project

On June 10, 2008 the Agency entered into an Exclusive Negotiating Rights Agreement and approved a \$500,000 predevelopment loan agreement for this proposed commercial, residential, office and public improvements project in Kings Beach. During the fiscal year the project continued design and environmental review work. An initial study and Notice of Preparation were prepared and reviewed by the public, County and Tahoe Regional Planning Agency. The Agency expended \$4,347,092 on the project during the fiscal year including \$4,250,000 to acquire first mortgages for the more than three acre project site property and the Agency is now the primary lender for the property.

Domus Development Kings Beach Scattered Sites Housing Project

In 2007 the Agency entered into an Exclusive Negotiating Rights Agreement and approved a \$1,136,500 predevelopment loan agreement for this new affordable housing project in Kings Beach. The project was granted \$2,100,000 in HOME funding and \$3,314,400 in Infill Infrastructure funding and the project obtained environmental certification and entitlements approvals from the County and Tahoe Regional Planning Agency. The Agency approved a Disposition, Development and Loan Agreement with the developer whereby the Agency agreed to contribute to the project the amount of the previously approved predevelopment loan and an additional \$2,100,000 in Agency funding and also agreed to transfer title for the five project sites to the developer. Through a promissory note the developer has a total loan obligation to the Agency of \$7,918,300. In April 2010 the project was awarded Low Income Housing Tax Credits, which completed the necessary funding for the project. Demolition and site preparation work began in the Summer of 2010. During the fiscal year the project made substantial progress in construction and the Agency expended \$1,802,682 of tax increment and \$456,419 in grant and loan funds.

Achievement Information (Unaudited)

Business Improvement Loans

During the fiscal year, \$10,197 of an approved Agency facade loan of \$14,902, was expended for the installation of lighting and door improvements at the Mounrelatos Lake Shore Resort at 6834 North Lake Boulevard in Tahoe Vista. The work was completed.

Housing Rehabilitation Assistance During the fiscal year construction work for one Housing Rehabilitation Assistance loan for \$31,883 of CDBG grant funds was completed for a single home in Kings Beach. Placer County was awarded another \$400,000 of CDBG funds for additional Housing Rehabilitation Assistance loans in Kings Beach and the Agency continues to assist the County in the marketing and management of this program.

Kings Beach Everett Property

The Agency acquired a site located at 8716-8720 North Lake Boulevard in Kings Beach. The purpose of the acquisition is two-fold: a) to install a public parking lot to serve the Kings Beach Commercial Core area and b) to develop the front portion of the site as a private mixed use project. During the year the Agency issued a request for development proposals, but received no proposals for a potential mixed use project. The Agency began the planning effort to process a boundary line adjustment and worked with the County Public Works Department to determine the County needs and requirements for a public parking lot. An engineering consultant was engaged to begin design of the parking lot project. The Agency expended \$23,266 during the fiscal year.

Project Area Report

Fiscal Year 2011

Project Area Name

North Auburn Project Area

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Activity Report

Highway 49 Beautification Project - The Agency hired Bennett Engineering to complete Phase I project design, environmental review, and processing of permits and approvals from Caltrans, the County and utility companies. The Agency obtained easements and landscape maintenance agreements from multiple private property owners to provide for the installation and maintenance of the Phase I project improvements. The Phase I project will include the installation of new sidewalks, landscaping and related improvements on the east side of Highway 49 between New Airport Road and Education Street. The Agency expended \$207,719 on the project.

Rock Creek Plaza - the Agency managed a CDBG grant of \$1,804,906 that was awarded by HCD for the Rock Creek Plaza Shopping Center project. The funds were used to design and install sidewalks, landscaping and associated street improvements to

Forwarded from Prior Year ?
 Enter Code for Type of Project Area Report

Yes
 P

P = Standard Project Area Report

A = Administrative Fund

L = Low and Moderate Income Housing Fund

M = Mortgage Revenue Bond Program

O = Other Miscellaneous Funds or Programs

S = Proposed (Survey) Project Area

Does the Plan Include Tax Increment Provisions?

Yes

Date Project Area was Established (MM-DD-YY)

6/24/1997

Most Recent Date Project Area was Amended

Did this Amendment Add New Territory?

No

Most Recent Date Project Area was Merged

Will this Project Area be Carried Forward to Next Year?

Yes

Established Time Limit :

Repayment of Indebtedness (Year Only)

2042

Effectiveness of Plan (Year Only)

2028

New Indebtedness (Year Only)

2017

Size of Project Area in Acres

2.734

Percentage of Land Vacant at the Inception of the Project Area

4.0

Health and Safety Code Section 33320.1 (xx.x%)

96.0

Health and Safety Code Section 33320.1 (xx.x%)

Objectives of the Project Area as Set Forth in the Project Area Plan (Enter the Appropriate Code(s) in Sequence as Shown)

RICPO

R = Residential | I = Industrial | C = Commercial | P = Public | O = Other

Project Area Report

Fiscal Year 2011

Project Area Name

North Auburn Project Area

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Highway 49 Beautification Project - The Agency hired Bennett Engineering to complete Phase I project design, environmental review, and processing of permits and approvals from Caltrans, the County and utility companies. The Agency obtained easements and landscape maintenance agreements from multiple private property owners to provide for the installation and maintenance of the Phase I project improvements. The Phase I project will include the installation of new sidewalks, landscaping and related improvements on the east side of Highway 49 between New Airport Road and Education Street. The Agency expended \$207,719 on the project.

Rock Creek Plaza - the Agency managed a CDBG grant of \$1,804,906 that was awarded by HCD for the Rock Creek Plaza Shopping Center project. The funds were used to design and install sidewalks, landscaping and associated street improvements to Highway 49, Bell Road and Quartz Drive adjacent to and within the Rock Creek Plaza Shopping Center. The financing of these public improvements has assisted a substantial facelift and upgrade to the center. During the fiscal year installation of the public improvements was completed. The Agency and State HCD confirmed that new jobs were created in the shopping center in association with the project and in compliance with CDBG grant agreement. \$260,295 of Agency funds and \$1,004,893 of CDBG grant funds were expended during the year.

Business Improvement Loans - The Agency continues to operate and market its Business Improvement Loan Program. The Agency offers three basic kinds of loans: forgivable business property facade loans up to \$30,000, commercial property rehabilitation loans up to \$150,000 and mixed use predevelopment loans. The Agency discussed potential new loans and projects with multiple business and property owners during the year, but no loans were issued.

Quartz Ridge Housing Project - During the fiscal year the Agency approved a Disposition and Development Agreement with the development team of Quartz Ridge Family Apartments, LP. Through this agreement the Agency pledged to contribute a 6.1 acre of Agency owned property within the North Auburn Redevelopment Project Area and a \$2,000,000 residual receipts loan for the development of a 64 unit affordable family apartments project on the site. A portion of the Agency funds were used for design, engineering and related redevelopment costs, but the majority of the Agency funds and property will be conveyed when the developer obtains full funding commitments, building permits and is ready to begin construction. The developer applied for Low Income Housing Tax Credits, but did not win award of the tax credits. The developer and Agency continue to collaborate to seek funding and project implementation assistance. The Agency spent \$224,821.

The Agency assists low and moderate income homeowners to rehabilitate their homes through low interest, first time home buyer second mortgages and deferred loans, funded with North Auburn,

Project Area Report

Project Area Name **North Lake Tahoe Redevelopment Project**
 Area

Fiscal Year **2011**

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Activity Report

The Agency Board approved a new Five Year Implementation Plan for the Project Area. The new plan describes the previous activities and accomplishments as well as the goals, programs and planned activities, projects and expenditures for the next five year period. The new plan also addresses past accomplishments and planned activities and expenditures for housing production, displacement and replacement.

Tahoe City Gateway Monument Signs
 Installation was completed for two gateway monument signs that decorate the main entries into Tahoe City along State Highway 89. The Agency expended \$30,927 of tax increment funds for this project during the fiscal year.

Tahoe City Transit Center
 During the fiscal year construction proceeded on this project and all earthwork, paving, utility work and a substantial portion of the structures

Forwarded from Prior Year? Yes
 P

Enter Code for Type of Project Area Report
 P = Standard Project Area Report
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L = Low and Moderate Income Housing Fund
 M = Mortgage Revenue Bond Program
 O = Other Miscellaneous Funds or Programs
 S = Proposed (Survey) Project Area

Does the Plan Include Tax Increment Provisions?
 Yes
 7/16/1996

Date Project Area was Established (MM-DD-YY)
 No

Most Recent Date Project Area was Amended
 No

Did this Amendment Add New Territory?
 Yes

Most Recent Date Project Area was Merged
 Yes

Will this Project Area be Carried Forward to Next Year?
 Established Time Limit :

Repayment of Indebtedness (Year Only)
 2041

Effectiveness of Plan (Year Only)
 2027

New Indebtedness (Year Only)
 2016

Size of Project Area in Acres
 1,731

Percentage of Land Vacant at the Inception of the Project Area
 Health and Safety Code Section 33320.1 (xx.x%)
 10.0

Percentage of Land Developed at the Inception of the Project Area
 Health and Safety Code Section 33320.1 (xx.x%)
 90.0

Objectives of the Project Area as Set Forth in the Project Area Plan
 (Enter the Appropriate Code(s) in Sequence as Shown)
 RICPO

R = Residential I = Industrial C = Commercial P = Public O = Other

Project Area Report

Fiscal Year 2011

Project Area Name

North Lake Tahoe Redevelopment
Project Area

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

The Agency Board approved a new Five Year Implementation Plan for the Project Area. The new plan describes the previous activities and accomplishments as well as the goals, programs and planned activities, projects and expenditures for the next five year period. The new plan also addresses past accomplishments and planned activities and expenditures for housing production, displacement and replacement.

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During the fiscal year construction proceeded on this project and all earthwork, paving, utility work and a substantial portion of the structures work was completed. The Agency expenditures for design costs of this project were incurred in the previous fiscal year.

Tahoe City Wye Project

The Agency has budgeted \$200,000 to design and install enhancements to the gateway intersection of Highways 28 and 89 in Tahoe City. During the fiscal year the Agency collaborated with the County Departments of Economic Development and Public Works, Caltrans, the Tahoe City Downtown Association and local residents to continue planning and preliminary design for the project.

Tahoe City Downtown Association

The Agency provided \$65,000 in funding to assist the operation of the Tahoe City Downtown Association, which coordinated local commercial revitalization activities such as special events, marketing, and business assistance, using the Main Street operating model.

North Tahoe Business Association - The Agency provided \$65,000 in funding to assist the operation of the North Tahoe Business Association, which coordinated local commercial revitalization activities such as special events, marketing, and business assistance in the Kings Beach/Tahoe Vista area, using the Main Street operating model.

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During the fiscal year the Agency continued planning and preliminary design work on the public parking and water quality improvements project in Kings Beach. The Agency Board approved a services agreement with the Placer County Public Works Department (DPW) to make available Agency funds for DPW to manage the project. During the fiscal year \$7,825 of Agency funds were expended on the project.

Kings Beach Eastern Gateway Project

The Agency has been incrementally acquiring parcels and conducting site cleanup on the 1.3 acre site on the south side of North Lake Boulevard, west of Chipmunk Street, in Kings Beach. During the fiscal year the Agency continued to monitor contamination issues and coordinate with the Lahontan Regional Water Quality Control Board (Lahontan) in the preparation of a site remediation plan. The Agency submitted a site remediation plan, which was approved by Lahontan. An Agency planning consultant conducted site redevelopment feasibility analysis and prepared conceptual design drawings for development the site. The Agency issued a Request for Proposals to recruit a development team for a future project. A proposal was submitted and the Agency met with the development team to refine the proposal and negotiate an Exclusive Negotiating Rights Agreement. The Agency expended \$94,199 for the site activities during the fiscal year.

Swiss Mart Project

The Agency previously acquired the site of the former Swiss Mart gas station at the northwest corner of North Lake Boulevard and Chipmunk Street in Kings Beach. In past years the Agency demolished vacant structures, removed contaminated soil and underground storage tanks, and installed fencing. During the fiscal year the Agency expended \$16,879 in tax increment funds to continue remediation of the site and to plan for potential future redevelopment.

Commercial Core Improvement Project

Redevelopment Agency Of Placer County
Redevelopment Agencies Financial Transactions Report

Project Area Report

Fiscal Year	2011	Project Area Name	North Lake Tahoe Redevelopment Project Area
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The Agency has committed to contribute \$11,000,000 in tax increment and bond funds for the Kings Beach Highway 28 Commercial Core Improvement Project. This project will reconstruct the highway corridor to provide new sidewalks, bike lanes, controlled pedestrian crossings, drainage improvements and decorative enhancements throughout the Kings Beach central business district. The Agency contributions will include the provision of nearby public parking lots (described as separate projects) as well as direct contributions to the Highway 28 improvements. During the fiscal year the Agency approved a comprehensive Services Agreement with the County to memorialize Agency funding commitments and outline project implementation activities planned to be carried out by the County and Agency. During the fiscal year \$11,955 of Agency funds were expended on the project.

BB, LLC Mixed Use Project

On June 10, 2008 the Agency entered into an Exclusive Negotiating Rights Agreement and approved a \$500,000 predevelopment loan agreement for this proposed commercial, residential, office and public improvements project in Kings Beach. During the fiscal year the project continued design and environmental review work. An initial study and Notice of Preparation were prepared and reviewed by the public, County and Tahoe Regional Planning Agency. The Agency expended \$4,347,092 on the project during the fiscal year including \$4,250,000 to acquire first mortgages for the more than three acre project site property and the Agency is now the primary lender for the property.

Domus Development Kings Beach Scattered Sites Housing Project

In 2007 the Agency entered into an Exclusive Negotiating Rights Agreement and approved a \$1,136,500 predevelopment loan agreement for this new affordable housing project in Kings Beach. The project was granted \$2,100,000 in HOME funding and \$3,314,400 in Infill infrastructure funding and the project obtained environmental certification and entitlements approvals from the County and Tahoe Regional Planning Agency. The Agency approved a Disposition, Development and Loan Agreement with the developer whereby the Agency agreed to contribute to the project the amount of the previously approved predevelopment loan and an additional \$2,100,000 in Agency funding and also agreed to transfer title for the five project sites to the developer. Through a promissory note the developer has a total loan obligation to the Agency of \$7,918,300. In April 2010 the project was awarded Low Income Housing Tax Credits, which completed the necessary funding for the project. Demolition and site preparation work began in the Summer of 2010. During the fiscal year the project made substantial progress in construction and the Agency expended \$1,802,682 of tax increment and \$456,419 in grant and loan funds.

Business Improvement Loans

During the fiscal year, \$10,197 of an approved Agency façade loan of \$14,902, was expended for the installation of lighting and door improvements at the Mourelatos Lake Shore Resort at 6834 North Lake Boulevard in Tahoe Vista. The work was completed.

Housing Rehabilitation Assistance During the fiscal year construction work for one Housing Rehabilitation Assistance loan for \$31,883 of CDBG grant funds was completed for a single home in Kings Beach. Placer County was awarded another \$400,000 of CDBG funds for additional Housing Rehabilitation Assistance loans in Kings Beach and the Agency continues to assist the County in the marketing and management of this program.

Kings Beach Everett Property

The Agency acquired a site located at 8716-8720 North Lake Boulevard in Kings Beach. The purpose of the acquisition is two-fold: a) to install a public parking lot to serve the Kings Beach Commercial Core area and b) to develop the front portion of the site as a private mixed use project. During the year the Agency issued a request for development proposals, but received no proposals for a potential mixed use project. The Agency began the planning effort to process a boundary line adjustment and worked with the County Public Works Department to determine the County needs and requirements for a public parking lot. An engineering consultant was engaged to begin design of the parking lot project. The Agency expended \$23,266 during the fiscal year.

Project Area Report

Fiscal Year 2011

Project Area Name

Sunset Industrial Project Area

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Activity Report

Highway 68/Sunset Boulevard Interchange - Construction was completed for this critical freeway interchange, which will significantly improve safety and access. The Agency contributed \$2,500,000 in tax increment funding to assist the project.

The Agency contributed \$1,000,000 for the planning and feasibility analysis of potential railroad overcrossings in the Sunset Project Area.

The Agency provided planning and technical assistance to the new Sunset Area business association as well as to individual local property owners, who have proposed various new development projects ranging from industrial parks to hotels and commercial retail uses.

Seniors First Handy-person Program - The Agency provided \$39,845 in funding to Seniors First to assist the Handy-person Program which provides free minor repairs to

Forwarded from Prior Year?

Enter Code for Type of Project Area Report

P = Standard Project Area Report
L = Low and Moderate Income Housing Fund
O = Other Miscellaneous Funds or Programs

A = Administrative Fund
M = Mortgage Revenue Bond Program
S = Proposed (Survey) Project Area

Does the Plan Include Tax Increment Provisions?
Date Project Area was Established (MM-DD-YY)

Yes
6/24/1997

Most Recent Date Project Area was Amended
Did this Amendment Add New Territory?

No

Most Recent Date Project Area was Merged
Will this Project Area be Carried Forward to Next Year?

Yes

Established Time Limit:

Repayment of Indebtedness (Year Only)
Effectiveness of Plan (Year Only)

2042
2028

New Indebtedness (Year Only)
Size of Project Area in Acres

2017
2,580

Percentage of Land Vacant at the Inception of the Project Area
Health and Safety Code Section 33320.1 (xx.x%)

18.0

Percentage of Land Developed at the Inception of the Project Area
Health and Safety Code Section 33320.1 (xx.x%)

82.0

Objectives of the Project Area as Set Forth in the Project Area Plan
(Enter the Appropriate Code(s) in Sequence as Shown)

RICPO

R = Residential I = Industrial C = Commercial P = Public O = Other

Project Area Report

Fiscal Year 2011

Project Area Name

Sunset Industrial Project Area

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Highway 65/Sunset Boulevard Interchange - Construction was completed for this critical freeway interchange, which will significantly improve safety and access. The Agency contributed \$2,500,000 in tax increment funding to assist the project.

The Agency contributed \$1,000,000 for the planning and feasibility analysis of potential railroad overcrossings in the Sunset Project Area.

The Agency provided planning and technical assistance to the new Sunset Area business association as well as to individual local property owners, who have proposed various new development projects ranging from industrial parks to hotels and commercial retail uses.

Seniors First Handyperson Program - The Agency provided \$39,845 in funding to Seniors First to assist the Handyperson Program which provides free minor repairs to eligible seniors and disabled residents of the County.

Sheridan Improvements - The Agency assisted the County in applying for and receiving an \$800,000 CDBG grant. Work began on the three tiered grant program, which includes housing rehabilitation loans, acquiring and installing computer and associated technology equipment at Sheridan Elementary School, as well as designing and installing improvements to the water delivery system in Sheridan.

Department of Public Works
Assessed Valuation Report

Assessed Valuation Data

Fiscal Year 2011

Project Area Name

North Auburn Project Area

Frozen Base Assessed Valuation

137,120,000

Increment Assessed Valuation

149,541,895

Total Assessed Valuation

286,661,895

Assessed Valuation Data

Fiscal Year 2011

Project Area Name

North Lake Tahoe Redevelopment Project Area

Frozen Base Assessed Valuation

387,979,910

Increment Assessed Valuation

643,293,078

Total Assessed Valuation

1,031,272,988

Assessed Valuation Data

Fiscal Year 2011

Project Area Name

Sunset Industrial Project Area

Frozen Base Assessed Valuation

166,345,685

Increment Assessed Valuation

167,625,121

Total Assessed Valuation

333,970,806

**Rate-Through Agency Of Placer County
 Rate-Through Agency of Placer County Transfers Report**

Pass-Through / School District Assistance

Fiscal Year 2011

Project Area Name North Auburn Project Area

Amounts Paid To Taxing Agencies Pursuant To:	Tax Increment Pass Through Detail			Other Payments	
	H & S Code Section 33401	H & S Code Section 33676	H & S Code Section 33607	Total	H & S Code Section 33445

County			106,552	\$106,552		
Cities				\$0		
School Districts		49,791	155,145	\$204,936		
Community College District			26,256	\$26,256		
Special Districts			59,928	\$59,928		
Total Paid to Taxing Agencies	\$0	\$49,791	\$347,981	\$397,672	\$0	\$0
Net Amount to Agency				\$1,134,421		
Gross Tax Increment Generated				1,532,093		

**Redevelopment Agency Of Placer County
 Redevelopment Agency Financial Transactions Report**

Pass-Through / School District Assistance

Fiscal Year 2011

Project Area Name North Lake Tahoe Redevelopment Project Area

Amounts Paid To Taxing Agencies Pursuant To:	Tax Increment Pass Through Detail			Total	Other Payments	
	H & S Code Section 33401	H & S Code Section 33676	H & S Code Section 33607		H & S Code Section 33445	H & S Code Section 33445.5

County		462,948		\$462,948		
Cities				\$0		
School Districts	176,423	351,560		\$527,983		
Community College District		114,041		\$114,041		
Special Districts		561,792		\$561,792		
Total Paid to Taxing Agencies	\$0	\$176,423	\$1,490,341	\$1,666,764	\$0	\$0
Net Amount to Agency				\$4,553,278		
Gross Tax Increment Generated						6,220,042

**Performance Agency Of Placer County
 Pass-Through / School District Assistance Report**

Pass-Through / School District Assistance

Fiscal Year 2011

Project Area Name Sunset Industrial Project Area

	Tax Increment Pass Through Detail			Other Payments	
	H & S Code Section 33401	H & S Code Section 33676	H & S Code Section 33607	H & S Code Section 33445	H & S Code Section 33445.5
County			116,727		
Cities				\$0	
School Districts		54,165	187,826		
Community College District			28,753		
Special Districts			9,784		
Total Paid to Taxing Agencies	\$0	\$54,165	\$343,090	\$397,255	\$0
Net Amount to Agency				\$1,258,355	
Gross Tax Increment Generated				1,855,610	

City of Placer County
Financial Statement of Indebtedness Report

Summary of the Statement of Indebtedness - Project Area

Fiscal Year	2011
Project Area Name	North Auburn Project Area
Tax Allocation Bond Debt	5,502,061
Revenue Bonds	
Other Long Term Debt	1,963,415
City/County Debt	
Low and Moderate Income Housing Fund	5,076,964
Other	12,842,379
Total	\$25,384,819
Available Revenues	808,134
Net Tax Increment Requirements	\$24,576,685

Summary of the Statement of Indebtedness - Project Area

Fiscal Year 2011

Project Area Name North Lake Tahoe Redevelopment Project Area

Tax Allocation Bond Debt	25,042,876
Revenue Bonds	
Other Long Term Debt	5,107,205
City/County Debt	
Low and Moderate Income Housing Fund	31,763,885
Other	96,905,469
Total	\$158,819,435
Available Revenues	1,928,385
Net Tax Increment Requirements	\$156,891,050

Summary of the Statement of Indebtedness - Project Area

Fiscal Year 2011

Project Area Name

Sunset Industrial Project Area

Tax Allocation Bond Debt	
Revenue Bonds	
Other Long Term Debt	
City/County Debt	
Low and Moderate Income Housing Fund	4,889,900
Other	19,559,598
Total	\$24,449,498
Available Revenues	3,281,406
Net Tax Increment Requirements	\$21,168,092

Report of the Rodeo Department Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	Yes
Bond Type	Loans
Year of Authorization	2005
Principal Amount Authorized	312,000
Principal Amount Issued	312,000
Purpose of Issue	Construct Infrastructure
Maturity Date Beginning Year	2005
Maturity Date Ending Year	2035
Principal Amount Unmatured Beginning of Fiscal Year	\$283,337
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	7,720
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$275,617
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State;
 Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	Yes
Bond Type	Loans
Year of Authorization	2005
Principal Amount Authorized	500,000
Principal Amount Issued	500,000
Purpose of Issue	Purchase land
Maturity Date Beginning Year	2005
Maturity Date Ending Year	2010
Principal Amount Unmatured Beginning of Fiscal Year	\$500,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$500,000
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US:State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year

Bond Type

Year of Authorization

Principal Amount Authorized

Principal Amount Issued

Purpose of Issue

Maturity Date Beginning Year

Maturity Date Ending Year

Principal Amount Unmatured Beginning of Fiscal Year

Adjustment Made During Year

Adjustment Explanation

Interest Added to Principal

Principal Amount Issued During Fiscal Year

Principal Amount Matured During Fiscal Year

Principal Amount Defeased During Fiscal Year

Principal Amount Unmatured End of Fiscal Year

Principal Amount In Default

Interest In Default

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency Of Placer County

Redevelopment Agency's Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year

Bond Type

Year of Authorization

Principal Amount Authorized

Principal Amount Issued

Purpose of Issue

Maturity Date Beginning Year

Maturity Date Ending Year

Principal Amount Unmatured Beginning of Fiscal Year

Adjustment Made During Year

Adjustment Explanation

Interest Added to Principal

Principal Amount Issued During Fiscal Year

Principal Amount Matured During Fiscal Year

Principal Amount Defessed During Fiscal Year

Principal Amount Unmatured End of Fiscal Year

Principal Amount In Default

Interest In Default

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency of Placer County

Redevelopment Agency Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

2011

Project Area Name

North Lake Tahoe Redevelopment Project Area

Forward from Prior Year

Yes

Bond Type

Loans

Year of Authorization

2008

Principal Amount Authorized

479,822

Principal Amount Issued

479,822

Purpose of Issue

Construct Infrastructure

Maturity Date Beginning Year

2008

Maturity Date Ending Year

2038

Principal Amount Unmatured Beginning of Fiscal Year

\$469,061

Adjustment Made During Year

Adjustment Explanation

Interest Added to Principal

Principal Amount Issued During Fiscal Year

Principal Amount Matures During Fiscal Year

11,074

Principal Amount Defeased During Fiscal Year

Principal Amount Unmatured End of Fiscal Year

\$457,987

Principal Amount In Default

Interest In Default

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Agency Long-Term Debt

Fiscal Year

2011

Project Area Name

North Auburn Project Area

Forward from Prior Year

Yes

Bond Type

Other

Year of Authorization

1997

Principal Amount Authorized

166,071

Principal Amount Issued

166,071

Purpose of Issue

Compensated Absences

Maturity Date Beginning Year

2000

Maturity Date Ending Year

2042

Principal Amount Unmatured Beginning of Fiscal Year

\$69,391

Adjustment Made During Year

96,680

Adjustment Explanation

Annual adjustment for change in balance of compensated absences

Interest Added to Principal

Principal Amount Issued During Fiscal Year

Principal Amount Matured During Fiscal Year

Principal Amount Defeased During Fiscal Year

Principal Amount Unmatured End of Fiscal Year

\$166,071

Principal Amount In Default

Interest In Default

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Agency Long-Term Debt

Fiscal Year 2011

Project Area Name North Auburn Project Area

Forward from Prior Year	Yes
Bond Type	Other
Year of Authorization	2004
Principal Amount Authorized	396,301
Principal Amount Issued	396,301
Purpose of Issue	California Housing Finance Agency
Maturity Date Beginning Year	2004
Maturity Date Ending Year	2013
Principal Amount Unmatured Beginning of Fiscal Year	\$353,347
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$353,347
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State;
 Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Fiscal Year **2011**

Project Area Name **North Lake Tahoe Redevelopment Project Area**

Forward from Prior Year

Yes

Bond Type

Other

Year of Authorization

2004

Principal Amount Authorized

808,409

Principal Amount Issued

808,409

Purpose of Issue

California Housing Finance Agency

Maturity Date Beginning Year

2004

Maturity Date Ending Year

2013

Principal Amount Unmatured Beginning of Fiscal Year

\$779,675

Adjustment Made During Year

Adjustment Explanation

Interest Added to Principal

28,734

Principal Amount Issued During Fiscal Year

Principal Amount Matured During Fiscal Year

Principal Amount Defeased During Fiscal Year

Principal Amount Unmatured End of Fiscal Year

\$808,409

Principal Amount In Default

Interest In Default

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; U.S. State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Agency Long-Term Debt

Fiscal Year 2011

Project Area Name North Lake Tahoe Redevelopment Project Area

Forward from Prior Year	Yes
Bond Type	Other
Year of Authorization	2008
Principal Amount Authorized	412,360
Principal Amount Issued	412,360
Purpose of Issue	Pollution Remediation Obligation
Maturity Date Beginning Year	2009
Maturity Date Ending Year	2015
Principal Amount Unmatured Beginning of Fiscal Year	\$412,360
Adjustment Made During Year	-59,608
Adjustment Explanation	Adjustment for change in balance of Pollution Remediation Obligation
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$352,752
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State;
 Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency Of Placer County

Redevelopment Agency Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

2011

Project Area Name

North Lake Tahoe Redevelopment Project Area

Forward from Prior Year

Yes

Bond Type

Tax Allocation Bonds

Year of Authorization

2007

Principal Amount Authorized

15,765,000

Principal Amount Issued

15,765,000

Purpose of Issue

Capital Project Development

Maturity Date Beginning Year

2007

Maturity Date Ending Year

2037

Principal Amount Unmatured Beginning of Fiscal Year

\$14,925,000

Adjustment Made During Year

Adjustment Explanation

Interest Added to Principal

Principal Amount Issued During Fiscal Year

Principal Amount Matured During Fiscal Year

305,000

Principal Amount Defeased During Fiscal Year

Principal Amount Unmatured End of Fiscal Year

\$14,620,000

Principal Amount In Default

Interest In Default

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Report of the Agency Of Pacer County - Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year

Yes

Bond Type

Year of Authorization

Principal Amount Authorized

Principal Amount Issued

Purpose of Issue

Maturity Date Beginning Year

Maturity Date Ending Year

Principal Amount Unmatured Beginning of Fiscal Year

Adjustment Made During Year

Adjustment Explanation

Interest Added to Principal

Principal Amount Issued During Fiscal Year

Principal Amount Matured During Fiscal Year

Principal Amount Deceased During Fiscal Year

Principal Amount Unmatured End of Fiscal Year

Principal Amount In Default

Interest In Default

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Agency Long-Term Debt

Fiscal Year 2011

Project Area Name North Auburn Project Area

	Yes
Forward from Prior Year	
Bond Type	Tax Allocation Bonds
Year of Authorization	2007
Principal Amount Authorized	927,751
Principal Amount Issued	927,751
Purpose of Issue	Housing Project Assistance
Maturity Date Beginning Year	2007
Maturity Date Ending Year	2037
Principal Amount Unmatured Beginning of Fiscal Year	\$889,664
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	14,283
Principal Amount Deceased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$875,381
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	Yes
Bond Type	Tax Allocation Bonds
Year of Authorization	2007
Principal Amount Authorized	3,549,656
Principal Amount Issued	3,549,656
Purpose of Issue	Housing Project Assistance
Maturity Date Beginning Year	2007
Maturity Date Ending Year	2037
Principal Amount Unmatured Beginning of Fiscal Year	\$3,404,312
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	54,504
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$3,349,808
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State;
 Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Agency Long-Term Debt Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

2011

Project Area Name

Sunset Industrial Project Area

Forward from Prior Year

Yes

Bond Type

Tax Allocation Bonds

Year of Authorization

2007

Principal Amount Authorized

1,387,593

Principal Amount Issued

1,387,593

Purpose of Issue

Housing Project Assistance

Maturity Date Beginning Year

2007

Maturity Date Ending Year

2037

Principal Amount Unmatured Beginning of Fiscal Year

\$1,331,024

Adjustment Made During Year

Adjustment Explanation

Interest Added to Principal

Principal Amount Issued During Fiscal Year

Principal Amount Matured During Fiscal Year

Principal Amount Deceased During Fiscal Year

Principal Amount Unmatured End of Fiscal Year

\$1,309,811

Principal Amount In Default

Interest In Default

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

**Redevelopment Agency Of Placer County
 Redevelopment Agencies Financial Transactions Report**

Statement of Income and Expenditures - Revenues

Fiscal Year

2011

Project Area Name

North Auburn Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross (Include All Apportionments)	1,224,459		307,634		\$1,532,093
Special Supplemental Subvention					\$0
Property Assessments					\$0
Sales and Use Tax					\$0
Transient Occupancy Tax					\$0
Interest Income	30,161		35,420		\$65,581
Rental Income					\$0
Lease Income					\$0
Sale of Real Estate					\$0
Gain on Land Held for Resale					\$0
Federal Grants					\$0
Grants from Other Agencies	1,054,553		3,310		\$1,057,863
Bond Administrative Fees					\$0
Other Revenues	7,570		1,000		\$8,570
Total Revenues	\$2,316,743	\$0	\$347,364	\$0	\$2,664,107

Statement of Income and Expenditures - Revenues

Statement of Income and Expenditures - Revenues

Fiscal Year

2011

Project Area Name

North Lake Tahoe Redevelopment Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross <i>(Include All Apportionments)</i>	4,972,276		1,247,766		\$6,220,042
Special Supplemental Subvention					\$0
Property Assessments					\$0
Sales and Use Tax					\$0
Transient Occupancy Tax					\$0
Interest Income	199,424		10,308		\$209,732
Rental Income			679		\$679
Lease Income					\$0
Sale of Real Estate			4,650,400		\$4,650,400
Gain on Land Held for Resale					\$0
Federal Grants					\$0
Grants from Other Agencies			567,874		\$567,874
Bond Administrative Fees					\$0
Other Revenues	2,963		48		\$3,011
Total Revenues	\$5,174,663	\$0	\$6,477,075	\$0	\$11,651,738

Statement of Income and Expenditures Report

Statement of Income and Expenditures - Revenues

Fiscal Year
2011

Project Area Name

Sunset Industrial Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross <i>(Include All Apportionments)</i>	1,324,240		331,370		\$1,655,610
Special Supplemental Subvention					\$0
Property Assessments					\$0
Sales and Use Tax					\$0
Transient Occupancy Tax					\$0
Interest Income	1,528		11,756		\$13,284
Rental Income					\$0
Lease Income					\$0
Sale of Real Estate					\$0
Gain on Land Held for Resale					\$0
Federal Grants					\$0
Grants from Other Agencies			3,350		\$3,350
Bond Administrative Fees					\$0
Other Revenues			5,510		\$5,510
Total Revenues	\$1,325,768	\$0	\$351,986	\$0	\$1,677,754

Redevelopment Agency Of Placer County
Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year 2011

Project Area Name North Auburn Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Administration Costs	196,516		71,929		\$268,445
Professional Services	249		94		\$343
Planning, Survey, and Design	14,043		8,915		\$22,958
Real Estate Purchases					\$0
Acquisition Expense					\$0
Operation of Acquired Property	41		8,335		\$8,376
Relocation Costs					\$0
Relocation Payments					\$0
Site Clearance Costs					\$0
Project Improvement / Construction Costs	1,476,958		52,834		\$1,529,792
Disposal Costs					\$0
Loss on Disposition of Land Held for Resale					\$0

**Redevelopment Agency Of Placer County
Redevelopment Agencies Financial Transactions Report**

Statement of Income and Expenditures - Expenditures

Fiscal Year 2011

Project Area Name North Auburn Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					\$0
Rehabilitation Costs	269		708		\$977
Rehabilitation Grants					\$0
Interest Expense	186,000		53,913		\$239,913
Fixed Asset Acquisitions					\$0
Subsidies to Low and Moderate Income Housing			14,482		\$14,482
Debt Issuance Costs					\$0
Other Expenditures Including Pass-Through Payment(s)	506,715		172,909		\$679,624
Debt Principal Payments:					
Tax Allocation Bonds and Notes	70,000		14,283		\$84,283
Revenue Bonds, Certificates of Participation, Financing Authority Bonds					\$0
City/County Advances and Loans					\$0
All Other Long-Term Debt	37,358				\$37,358
Total Expenditures	\$2,488,149	\$0	\$398,402	\$0	\$2,886,551
Excess (Deficiency) Revenues over (under) Expenditures	(\$171,406)	\$0	(\$51,038)	\$0	(\$222,444)

Redevelopment Agency Of Placer County
Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year 2011

Project Area Name North Lake Tahoe Redevelopment Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Administration Costs	709,177		278,601		\$987,778
Professional Services	1,052		400		\$1,452
Planning, Survey, and Design	104,738		47,358		\$152,096
Real Estate Purchases					\$0
Acquisition Expense					\$0
Operation of Acquired Property	136,241		8,200		\$144,441
Relocation Costs	613		8,796		\$9,409
Relocation Payments					\$0
Site Clearance Costs					\$0
Project Improvement / Construction Costs	317,019		237,136		\$554,155
Disposal Costs					\$0
Loss on Disposition of Land Held for Resale					\$0

Redevelopment Agency Of Placer County
Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year

2011

Project Area Name

North Lake Tahoe Redevelopment Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					\$0
Rehabilitation Costs	3,337		13,396		\$16,733
Rehabilitation Grants					\$0
Interest Expense	709,111		205,733		\$914,844
Fixed Asset Acquisitions			22,863		\$22,863
Subsidies to Low and Moderate Income Housing					\$0
Debt Issuance Costs					\$0
Other Expenditures Including Pass-Through Payment(s)	6,499,691		6,676,121		\$13,175,812
Debt Principal Payments:					
Tax Allocation Bonds and Notes	305,000		54,504		\$359,504
Revenue Bonds, Certificates of Participation, Financing Authority Bonds					\$0
City/County Advances and Loans					\$0
All Other Long-Term Debt	18,794				\$18,794
Total Expenditures	\$8,804,773	\$0	\$7,553,108	\$0	\$16,357,881
Excess (Deficiency) Revenues over (under) Expenditures	(\$3,630,110)	\$0	(\$1,076,033)	\$0	(\$4,706,143)

Redevelopment Agency Of Placer County
Resource Management - General Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year

2011

Project Area Name

Sunset Industrial Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Administration Costs	216,493		102,096		\$318,589
Professional Services	433		936		\$1,369
Planning, Survey, and Design	21,024		4,062		\$25,086
Real Estate Purchases					\$0
Acquisition Expense					\$0
Operation of Acquired Property					\$0
Relocation Costs					\$0
Relocation Payments					\$0
Site Clearance Costs					\$0
Project Improvement / Construction Costs					\$0
Disposal Costs					\$0
Loss on Disposition of Land Held for Resale					\$0

Redevelopment Agency Of Placer County
Redevelopment Agency Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year 2011

Project Area Name Sunset Industrial Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					\$0
Rehabilitation Costs	2,176		54,972		\$57,148
Rehabilitation Grants					\$0
Interest Expense			80,071		\$80,071
Fixed Asset Acquisitions					\$0
Subsidies to Low and Moderate Income Housing			11,079		\$11,079
Debt Issuance Costs					\$0
Other Expenditures Including Pass-Through Payment(s)	517,109		665		\$517,774
Debt Principal Payments:					
Tax Allocation Bonds and Notes			21,213		\$21,213
Revenue Bonds, Certificates of Participation, Financing Authority Bonds					\$0
City/County Advances and Loans					\$0
All Other Long-Term Debt					\$0
Total Expenditures	\$757,235	\$0	\$275,094	\$0	\$1,032,329
Excess (Deficiency) Revenues over (under) Expenditures	\$568,533	\$0	\$76,892	\$0	\$645,425

**Redevelopment Agency Of Placer County
Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Liabilities and Other Credits

Fiscal Year	2011	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Liabilities and Other Credits								
Accounts Payable		193,720		108,006				\$301,726
Interest Payable								\$0
Tax Anticipation Notes Payable								\$0
Loans Payable								\$0
Other Liabilities		5,139,846		9,353,087				\$14,492,933
Due to Capital Projects Fund		3,000,000						\$3,000,000
Due to Debt Service Fund								\$0
Due to Low/Moderate Income Housing Fund								\$0
Due to Special Revenue/Other Funds								\$0
Tax Allocation Bonds Payable						23,405,000		\$23,405,000
Lease Revenue, Certificates of Participation Payable, Financing Authority Bonds								\$0
All Other Long-Term Debt						4,905,279		\$4,905,279
Total Liabilities and Other Credits		\$8,333,566	\$0	\$9,461,093	\$0	\$28,310,279		\$46,104,938

**Redevelopment Agency Of Placer County
Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Liabilities and Other Credits

Fiscal Year	2011	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Equities								
Investment In General Fixed Assets								
Fund Balance Reserved				3,093,593			21,256,127	\$21,256,127
Fund Balance	11,679,072							\$14,772,665
Unreserved-Designated	3,701,447			1,082,865				\$4,784,312
Fund Balance Unreserved-Undesignated								\$0
Total Equities	\$15,380,519		\$0	\$4,176,458	\$0		\$21,256,127	\$40,813,104
Total Liabilities, Other Credits, and Equities								
	\$23,714,085		\$0	\$13,637,551	\$0	\$28,310,279	\$21,256,127	\$86,918,042

**Redevelopment Agency Of Placer County
Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Assets and Other Debts

Fiscal Year	2011	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Assets and Other Debts								
Cash and Imprest Cash		15,545,870		4,270,738				\$19,816,608
Cash with Fiscal Agent								\$0
Tax Increments Receivable								\$0
Accounts Receivable		2,471		6,211				\$8,682
Accrued Interest Receivable		20,960		5,633				\$26,593
Loans Receivable		5,139,846		9,353,087				\$14,492,933
Contracts Receivable								\$0
Lease Payments Receivable								\$0
Unearned Finance Charge								\$0
Due from Capital Projects Fund		3,000,000						\$3,000,000
Due from Debt Service Fund								\$0
Due from Low/Moderate Income Housing Fund								\$0
Due from Special Revenue/Other Funds								\$0

Redevelopment Agency of Placer County
Redevelopment Agencies Financial Transactions Report

Balance Sheet - Assets and Other Debits

Fiscal Year	2011	Balance Sheet - Assets and Other Debits						Total
		Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	
Investments								\$0
Other Assets		4,938		1,882				\$6,820
Investments: Land Held for Resale								\$0
Allowance for Decline In Value of Land Held for Resale								\$0
Fixed Assets: Land, Structures, and Improvements						21,227,145		\$21,227,145
Equipment							28,982	\$28,982
Amount Available In Debt Service Fund								\$0
Amount to be Provided for Payment of Long-Term Debt							28,310,279	\$28,310,279
Total Assets and Other Debits		\$23,714,085	\$0	\$13,637,551	\$0	\$28,310,279	\$21,256,127	\$86,918,042

(Must Equal Total Liabilities, Other Credits, and Equities)

Redevelopment Agency Of Placer County

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year

Project Area Name

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Proceeds of Long-Term Debt					\$0
Proceeds of Refunding Bonds					\$0
Payment to Refunded Bond Escrow Agent					\$0
Advances from City/County					\$0
Sale of Fixed Assets					\$0
Miscellaneous Financing Sources (Uses)					\$0
Operating Transfers In	805,085				\$805,085
Tax Increment Transfers In					\$0
Operating Transfers Out	805,085				\$805,085
Tax Increment Transfers Out					\$0
<i>(To the Low and Moderate Income Housing Fund)</i>					
Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0

Redevelopment Agency Of Placer County

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year

2011

Project Area Name

North Lake Tahoe Redevelopment Project Area

Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
-----------------------	--------------------	-----------------------------	-----------------------	-------

Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses

	(\$3,630,110)	\$0	(\$1,076,033)	\$0	(\$4,706,143)
--	---------------	-----	---------------	-----	---------------

Equity, Beginning of Period

	\$13,884,535	\$0	\$2,443,361	\$0	\$16,327,896
--	--------------	-----	-------------	-----	--------------

Prior Period Adjustments

					\$0
--	--	--	--	--	-----

Residual Equity Transfers

					\$0
--	--	--	--	--	-----

Equity, End of Period

	\$10,254,425	\$0	\$1,367,328	\$0	\$11,621,753
--	--------------	-----	-------------	-----	--------------

Redevelopment Agency Of Placer County

Redevelopment Agency Financial Transactions Report

Statement of Income and Expenditures - Summary, Combined Transfers In/Out

Fiscal Year	2011
Operating Transfers In	\$805,085
Tax Increment Transfers In	\$0
Operating Transfers Out	\$805,085
Tax Increment Transfers Out	\$0

Redevelopment Agency Of Placer County
Redevelopment Agencies Financial Transactions Report
Statement of Income and Expenditures
Other Financing Sources (Uses) - Consolidated

Fiscal Year	2011	Funds					Total
		Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds		
Proceeds of Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	
Proceeds of Refunding Bonds	\$0	\$0	\$0	\$0	\$0	\$0	
Payment to Refunded Bond Escrow Agent	\$0	\$0	\$0	\$0	\$0	\$0	
Advances from City/County	\$0	\$0	\$0	\$0	\$0	\$0	
Sale of Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0	
Miscellaneous Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	
Operating Transfers In	\$805,085	\$0	\$0	\$0	\$0	\$805,085	
Tax Increment Transfers In			\$0			\$0	
Operating Transfers Out	\$805,085	\$0	\$0	\$0	\$0	\$805,085	
Tax Increment Transfers Out		\$0				\$0	
<i>(To the Low and Moderate Income Housing Fund)</i>							
Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	

Redevelopment Agency Of Placer County
Redevelopment Agencies Financial Transactions Report
Statement of Income and Expenditures
Other Financing Sources (Uses) - Consolidated

	A	B	C	D	E
	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(\$3,232,983)	\$0	(\$1,050,179)	\$0	(\$4,283,162)
Equity Beginning of Period	\$18,613,502	\$0	\$5,226,637	\$0	\$23,840,139
Prior Year Adjustments	\$0	\$0	\$0	\$0	\$0
Residual Equity Transfers	\$0	\$0	\$0	\$0	\$0
Other (Explain)	\$0	\$0	\$0	\$0	\$0
Equity, End of Period	\$15,380,519	\$0	\$4,176,458	\$0	\$19,556,977

Redevelopment Agency Of Placer County
Redevelopment Agencies Financial Transactions Report
Statement of Income and Expenditures
Expenditures - Consolidated

Fiscal Year 2011

	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Administration Costs	\$1,122,186	\$0	\$452,626	\$0	\$1,574,812
Professional Services	\$1,734	\$0	\$1,430	\$0	\$3,164
Planning, Survey, and Design	\$139,805	\$0	\$60,335	\$0	\$200,140
Real Estate Purchases	\$0	\$0	\$0	\$0	\$0
Acquisition Expense	\$0	\$0	\$0	\$0	\$0
Operation of Acquired Property	\$136,282	\$0	\$16,535	\$0	\$152,817
Relocation Costs	\$613	\$0	\$8,796	\$0	\$9,409
Relocation Payments	\$0	\$0	\$0	\$0	\$0
Site Clearance Costs	\$0	\$0	\$0	\$0	\$0
Project Improvement / Construction Costs	\$1,793,977	\$0	\$289,970	\$0	\$2,083,947
Disposal Costs	\$0	\$0	\$0	\$0	\$0
Loss on Disposition of Land Held for Resale	\$0	\$0	\$0	\$0	\$0

Redevelopment Agency Of Placer County
Redevelopment Agencies Financial Transactions Report
Statement of Income and Expenditures
Expenditures - Consolidated

Fiscal Year 2011

	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
	A	B	C	D	E
Decline in Value of Land Held for Resale	\$0	\$0	\$0	\$0	\$0
Rehabilitation Costs	\$5,782	\$0	\$69,076	\$0	\$74,858
Rehabilitation Grants	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$895,111	\$0	\$339,717	\$0	\$1,234,828
Fixed Asset Acquisitions	\$0	\$0	\$0	\$0	\$0
Subsidies to Low and Moderate Income Housing Fund	\$0	\$0	\$48,424	\$0	\$48,424
Debt Issuance Costs	\$0	\$0	\$0	\$0	\$0
Other Expenditures Including Pass Through Payment(s)	\$7,523,515	\$0	\$6,849,695	\$0	\$14,373,210
Debt Principal Payments:					
Tax Allocation Bonds and Notes	\$375,000	\$0	\$90,000	\$0	\$465,000
Revenue Bonds and Certificates of Participation	\$0	\$0	\$0	\$0	\$0
City/County Advances and Loans	\$0	\$0	\$0	\$0	\$0
U.S., State and Other Long-Term Debt	\$56,152	\$0	\$0	\$0	\$56,152
Total Expenditures	\$12,050,157	\$0	\$8,226,604	\$0	\$20,276,761
Excess (Deficiency) Revenues Over (Under) Expenditures	(\$3,232,983)	\$0	(\$1,050,179)	\$0	(\$4,283,162)

Expenditures - Consolidated

Redevelopment Agency Of Placer County
Redevelopment Agencies Financial Transactions Report
Statement of Income and Expenditures

Revenues - Consolidated

Fiscal Year 2011

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross	\$7,520,975	\$0	\$1,886,770	\$0	\$9,407,745
Special Supplemental Subvention	\$0	\$0	\$0	\$0	\$0
Property Assessments	\$0	\$0	\$0	\$0	\$0
Sales and Use Tax	\$0	\$0	\$0	\$0	\$0
Transient Occupancy Tax	\$0	\$0	\$0	\$0	\$0
Interest Income	\$231,113	\$0	\$57,484	\$0	\$288,597
Rental Income	\$0	\$0	\$679	\$0	\$679
Lease Income	\$0	\$0	\$0	\$0	\$0
Sale of Real Estate	\$0	\$0	\$4,650,400	\$0	\$4,650,400
Gain on Land Held for Resale	\$0	\$0	\$0	\$0	\$0
Federal Grants	\$0	\$0	\$0	\$0	\$0
Grants from Other Agencies	\$1,054,553	\$0	\$574,534	\$0	\$1,629,087
Bond Administrative Fees	\$0	\$0	\$0	\$0	\$0
Other Revenues	\$10,533	\$0	\$6,558	\$0	\$17,091
Total Revenues	\$8,817,174	\$0	\$7,176,425	\$0	\$15,993,599

Redevelopment Agency Of Placer County

Redevelopment Agencies Financial Transactions Report

Detailed Summary of Footnotes For Fiscal Year 2010-11

Forms	Column	Additional Details	Footnotes
Pass Through / School District Assistance			
Total Paid to Taxing Agencies	C	PROJECT_AREA_NAME = 'Sunset Industrial Project Area'	This is the amount reported to this Agency by the Placer County Auditor-Controller's Office (Property Tax Division) as the amount of Tax Increment Pass-Through payments paid for FY2010/11.
Total Paid to Taxing Agencies	C	PROJECT_AREA_NAME = 'North Lake Tahoe Redevelopment Project Area'	This is the amount reported to this Agency by the Placer County Auditor-Controller's Office (Property Tax Division) as the amount of Tax Increment Pass-Through payments paid for FY2010/11.
Total Paid to Taxing Agencies	C	PROJECT_AREA_NAME = 'North Auburn Project Area'	This is the amount reported to this Agency by the Placer County Auditor-Controller's Office (Property Tax Division) as the amount of Tax Increment Pass-Through payments paid for FY2010/11.
Expenditures			
Other Expenditures Including Pass Through Payment(s)	A	PROJECT_AREA_NAME = 'Sunset Industrial Project Area'	Pass-Through Payments = \$397,255 + FY10/11 SERAF = \$119,853 + Misc. Rounding = \$1
Other Expenditures Including Pass Through Payment(s)	A	PROJECT_AREA_NAME = 'North Lake Tahoe Redevelopment Project Area'	Commercial Loans = \$4,262,435 + Bond/Loan Annual Admin Fee = \$4,057 + Economic Development Expenditures = \$131,794 + Pass-Through Payments = \$1,666,764 + FY10/11 SERAF = \$434,641
Other Expenditures Including Pass Through Payment(s)	A	PROJECT_AREA_NAME = 'North Auburn Project Area'	Bond/Loan Annual Admin Fee - \$6,085 + Pass-Through Payments = \$397,672 + FY10/11 SERAF = \$102,957 + Misc. Rounding = \$1

Redevelopment Agency Of Placer County

Redevelopment Agencies Financial Transactions Report

Detailed Summary of Footnotes For Fiscal Year 2010-11

Forms	Column	Additional Details	Footnotes
Other Expenditures Including Pass Through Payment(s)	C	PROJECT_AREA_NAME = 'North Lake Tahoe Redevelopment Project Area'	LMHF Loans to Developers for Multi-Family Housing Development = \$6,672,366 + Housing Inclusionary Compliance = \$2,665 + Bond/Loan Annual Admin Fee = \$1,090.
Other Expenditures Including Pass Through Payment(s)	C	PROJECT_AREA_NAME = 'North Auburn Project Area'	RDA Loans = \$171,987 + Housing Inclusionary Compliance = \$637 + Bond/Loan Annual Admin Fee = \$286
Other Expenditures Including Pass Through Payment(s)	C	PROJECT_AREA_NAME = 'Sunset Industrial Project Area'	Housing Inclusionary Compliance = \$240 + Bond/Loan Annual Admin Fee = \$424 + Misc. Rounding = \$1
Assets and Other Debits			
Other Assets	A		Prepaid items
Other Assets	C		Prepaid items

Redevelopment Agency Of Placer County

Redevelopment Agencies Financial Transactions Report

Detailed Summary of Footnotes For Fiscal Year 2010-11

Forms	Column	Additional Details	Footnotes
Pass Through / School District Assistance			
Total Paid to Taxing Agencies	C	PROJECT_AREA_NAME = 'Sunset Industrial Project Area'	This is the amount reported to this Agency by the Placer County Auditor-Controller's Office (Property Tax Division) as the amount of Tax Increment Pass-Through payments paid for FY2010/11.
Total Paid to Taxing Agencies	C	PROJECT_AREA_NAME = 'North Lake Tahoe Redevelopment Project Area'	This is the amount reported to this Agency by the Placer County Auditor-Controller's Office (Property Tax Division) as the amount of Tax Increment Pass-Through payments paid for FY2010/11.
Total Paid to Taxing Agencies	C	PROJECT_AREA_NAME = 'North Auburn Project Area'	This is the amount reported to this Agency by the Placer County Auditor-Controller's Office (Property Tax Division) as the amount of Tax Increment Pass-Through payments paid for FY2010/11.
Expenditures			
Other Expenditures Including Pass Through Payment(s)	A	PROJECT_AREA_NAME = 'Sunset Industrial Project Area'	Pass-Through Payments = \$397,255 + FY10/11 SERAF = \$119,853 + Misc. Rounding = \$1
Other Expenditures Including Pass Through Payment(s)	A	PROJECT_AREA_NAME = 'North Lake Tahoe Redevelopment Project Area'	Commercial Loans = \$4,262,435 + Bond/Loan Annual Admin Fee = \$4,057 + Economic Development Expenditures = \$131,794 + Pass-Through Payments = \$1,666,764 + FY10/11 SERAF = \$434,641
Other Expenditures Including Pass Through Payment(s)	A	PROJECT_AREA_NAME = 'North Auburn Project Area'	Bond/Loan Annual Admin Fee - \$6,085 + Pass-Through Payments = \$397,672 + FY10/11 SERAF = \$102,957 + Misc. Rounding = \$1

Redevelopment Agency Of Placer County

Redevelopment Agencies Financial Transactions Report

Detailed Summary of Footnotes For Fiscal Year 2010-11

Forms	Column	Additional Details	Footnotes
Other Expenditures Including Pass Through Payment(s)	C	PROJECT_AREA_NAME = 'North Lake Tahoe Redevelopment Project Area'	LMHF Loans to Developers for Multi-Family Housing Development = \$6,672,366 + Housing Inclusionary Compliance = \$2,665 + Bond/Loan Annual Admin Fee = \$1,090.
Other Expenditures Including Pass Through Payment(s)	C	PROJECT_AREA_NAME = 'North Auburn Project Area'	RDA Loans = \$171,987 + Housing Inclusionary Compliance = \$637 + Bond/Loan Annual Admin Fee = \$286
Other Expenditures Including Pass Through Payment(s)	C	PROJECT_AREA_NAME = 'Sunset Industrial Project Area'	Housing Inclusionary Compliance = \$240 + Bond/Loan Annual Admin Fee = \$424 + Misc. Rounding = \$1
Assets and Other Debits			
Other Assets	A		Prepaid items
Other Assets	C		Prepaid items

California Redevelopment Agencies - Fiscal Year 2010/2011
 Status of Low and Moderate Income Housing Funds
 Sch C Agency Financial Summary
 PLACER COUNTY

Adjusted Beginning Balance	Project Area Receipts	Agency Other Revenue	Total Expenses	Net Resources Available	Other Housing Fund Assets	Total Housing Fund Assets	Encumbrances	* Unencumbered Balance	Unencumbered Designated	Unencumbered Not Designated
\$5,226,637	\$7,169,867	\$6,558	\$8,226,604	\$4,176,458	\$0	\$4,176,458	\$2,080,775	\$2,095,683	\$2,095,683	\$0

Expenses	Debt Service	Housing Rehabilitation	On/Off-Site Improvements	Other	Planning and Administration Costs	Property Acquisition	Subsidies	Total
2010/2011	\$431,517	\$69,076	\$289,970	\$3,542	\$514,390	\$25,332	\$6,892,777	\$8,226,604

*The Unencumbered Balance is equal to Net Resources Available minus Encumbrances

Note: Print this report in Landscape Orientation (Use the Print Icon just above, then Properties then Landscape)

California Redevelopment Agencies - Fiscal Year 2010/2011
Status of Low and Moderate Income Housing Funds
Sch C Agency Financial and Program Detail
PLACER COUNTY

	Beginning Balance	\$5,226,637
	Adjustment to Beginning Balance	\$0
	Adjusted Beginning Balance	\$5,226,637
Total Tax Increment From PA(s)	\$1,886,770	Total Receipts from PA(s)
		\$7,169,867
	Other Revenues not reported on Schedule A	\$6,558
	Sum of Beginning Balance and Revenues	\$12,403,062

<u>Expenditure</u>	<u>Item</u>	<u>Subitem</u>	<u>Amount</u>	<u>Remark</u>
Debt Service				
	Debt Principal Payments	Tax Allocation, Bonds & Notes	\$90,000	
	Interest Expense		\$339,717	
	Other		\$1,800	Bond/Loan Annual Admin Fee
		Subtotal of Debt Service	\$431,517	
Housing Rehabilitation				
			\$69,076	
		Subtotal of Housing Rehabilitation	\$69,076	
On/Off-Site Improvements				
			\$289,970	
		Subtotal of On/Off-Site Improvements	\$289,970	
Other				
			\$3,542	Housing Ordinance and Compliance Costs
		Subtotal of Other	\$3,542	
Planning and Administration Costs				

California Redevelopment Agencies - Fiscal Year 2010/2011
Status of Low and Moderate Income Housing Funds
Sch C Agency Financial and Program Detail
PLACER COUNTY

<u>Expenditure</u>	<u>Item</u>	<u>Subitem</u>	<u>Amount</u>	<u>Remark</u>
Planning and Administration Costs				
	Administration Costs		\$452,626	
	Planning, Survey/Design		\$60,335	
	Professional Services		\$1,429	
		Subtotal of Planning and Administration Costs	\$514,390	
Property Acquisition				
	Operation of Acquired Property		\$16,536	
	Relocation Costs		\$8,796	
		Subtotal of Property Acquisition	\$25,332	
Subsidies from the LMIHF				
	Other		\$6,892,777	Loans to Developers for Multi-Family Development Projects = \$6,844,352 + First-Time Buyer, Multi-Family Development Predevelopment/Program Expenditures = \$48,425
		Subtotal of Subsidies from the LMIHF	\$6,892,777	
		Total Expenditures	\$8,226,604	
		Net Resources Available	\$4,176,458	
		Indebtedness For Setasides Deferred	\$0	
Other Housing Fund Assets				
	<u>Category</u>		<u>Amount</u>	<u>Remark</u>
	SERAF Total Receivable		\$0	
		Total Other Housing Fund Assets	\$0	
		Total Fund Equity	\$4,176,458	

**California Redevelopment Agencies - Fiscal Year 2010/2011
 Status of Low and Moderate Income Housing Funds
 Sch C Agency Financial and Program Detail
 PLACER COUNTY**

2006/2007	\$1802465		Prior Year Ending	Excess Surplus for
2007/2008	\$2031722		Unencumbered Balance	2010/2011
2008/2009	\$2143726	sum of 4 Previous Years' Tax	\$5,227,637	\$0
2009/2010	\$2126375	Increment for 2010/2011		
		\$8104288		

Sum of Current and 3 Previous Years' Tax Increments	\$8,188,593
Adjusted Balance	\$2,095,683
Excess Surplus for next year	\$0
Net Resources Available	\$4,176,458
Unencumbered Designated	\$2,095,683
Unencumbered Undesignated	\$0
Total Encumbrances	\$2,080,775
Unencumbered Balance	\$2,095,683
Unencumbered Balance Adjusted for Debt Proceeds	\$0
Unencumbered Balance Adjusted for Land Sales	\$0
Excess Surplus Expenditure Plan	No
Excess Surplus Plan Adoption Date	

Site Improvement Activities Benefiting Households

<u>Income Level</u>	<u>Low</u>	<u>Very Low</u>	<u>Moderate</u>	<u>Total</u>
Construction	0	0	0	0
Rehabilitation	0	0	0	0
Health and Safety Hazard	0	0	0	0

Land Held for Future Development

<u>Site Name</u>	<u>Num Of Acres</u>	<u>Zoning</u>	<u>Purchase Date</u>	<u>Estimated Start Date</u>	<u>Remark</u>
Silver Bend Way	6.19	Multi-family	11/04/2008	03/15/2013	pending funding

Use of the Housing Fund to Assist Mortgageors

Income Adjustment Factors

Requirements Completed

Home

\$

Hope

\$

**California Redevelopment Agencies - Fiscal Year 2010/2011
Status of Low and Moderate Income Housing Funds
Sch C Agency Financial and Program Detail
PLACER COUNTY**

**Non Housing Redevelopment
Funds Usage**

Resource Needs

LMHF Deposits/Withdrawals

Document
Name

Document
Date

Custodian
Name

Custodian
Phone

Copy
Source

Achievements

Description

California Redevelopment Agencies-Fiscal Year 2010/2011
 Project Area Contributions to Low and Moderate Income Housing Funds
 Sch A Project Area Summary Report
 PLACER COUNTY

Project Area	100% of Tax Increment	20% Set Aside Requirement	Tax Increment Allocated	Amount Exempted and/or Deferred	Amount Suspended and/or Deferred	Tax Incr. Deposited to Hsing Fund	Percent of Tax Incr Dep	Repayment Deferrals	Other Income	Total Deposited to Housing
NORTH AUBURN	\$1,532,093	\$306,419	\$307,634	\$0	\$0	\$307,634	20.08%	\$0	\$38,730	\$346,364
NORTH TAHOE	\$6,220,042	\$1,244,008	\$1,247,766	\$0	\$0	\$1,247,766	20.06%	\$0	\$5,229,261	\$6,477,027
SUNSET INDUSTRIAL	\$1,655,610	\$331,122	\$331,370	\$0	\$0	\$331,370	20.01%	\$0	\$15,106	\$346,476
Agency Totals:	\$9,407,745	\$1,881,549	\$1,886,770	\$0	\$0	\$1,886,770	20.06%	\$0	\$5,283,097	\$7,169,867

Note: Print this report in Landscape Orientation (Use the Print Icon just above, then Properties then Landscape)

**California Redevelopment Agencies- Fiscal Year 2010/2011
 Project Area Contributions to Low and Moderate Income Housing Fund
 Sch A Project Area Financial Information**

Agency **PLACER COUNTY**
 Address **3091 County Center Dr.**
Auburn CA 95603

Project Area NORTH AUBURN							
Type: Inside Project Area		Status: Active					
Plan Adoption: 1997		Plan Expiration Year: 2028					
<u>Gross Tax Increment</u>	<u>Calculated Deposit</u>	<u>Amount Allocated</u>	<u>Amount Exempted</u>	<u>Amount Suspended and/or Deferred</u>	<u>Total Deposited</u>	<u>%</u>	<u>Cumulative Def.</u>
\$1,532,093	\$306,419	\$307,634	\$0	\$0	\$307,634	20.08%	\$0
				Repayment	\$0		
				<u>Category</u>			
				Grants	\$3,310		
				Interest Income	\$35,420		
				Total Additional Revenue	\$38,730		
				Total Housing Fund Deposits for Project Area	\$346,364		

Project Area NORTH TAHOE							
Type: Inside Project Area		Status: Active					
Plan Adoption: 1996		Plan Expiration Year: 2027					
<u>Gross Tax Increment</u>	<u>Calculated Deposit</u>	<u>Amount Allocated</u>	<u>Amount Exempted</u>	<u>Amount Suspended and/or Deferred</u>	<u>Total Deposited</u>	<u>%</u>	<u>Cumulative Def.</u>
\$6,220,042	\$1,244,008	\$1,247,766	\$0	\$0	\$1,247,766	20.06%	\$0
				Repayment	\$0		
				<u>Category</u>			
				Grants	\$567,874		
				Interest Income	\$10,308		
				Rental/Lease Income	\$679		
				Sale of Real Estate	\$4,650,400		
				Total Additional Revenue	\$5,229,261		
				Total Housing Fund Deposits for Project Area	\$6,477,027		

**California Redevelopment Agencies- Fiscal Year 2010/2011
 Project Area Contributions to Low and Moderate Income Housing Fund
 Sch A Project Area Financial Information**

Project Area SUNSET INDUSTRIAL

Type: Inside Project Area Status: Active
Plan Adoption: 1997 Plan Expiration Year: 2028

<u>Gross Tax Increment</u>	<u>Calculated Deposit</u>	<u>Amount Allocated</u>	<u>Amount Exempted</u>	<u>Amount Suspended and/or Deferred</u>	<u>Total Deposited</u>	<u>%</u>	<u>Cumulative Def.</u>
\$1,655,610	\$331,122	\$331,370	\$0	\$0	\$331,370	20.01%	\$0
				Repayment	\$0		
				Category			
				Grants	\$3,350		
				Interest Income	\$11,756		
				Total Additional Revenue	\$15,106		
				Total Housing Fund Deposits for Project Area	\$346,476		

Agency Totals For All Project Areas:

<u>Gross Tax Increment</u>	<u>Calculated Deposit</u>	<u>Amount Allocated</u>	<u>Amount Exempted</u>	<u>Amount Suspended and/or Deferred</u>	<u>Total Deposited</u>	<u>%</u>	<u>Cumulative Def.</u>
\$9,407,745	\$1,881,549	\$1,886,770	\$0	\$0	\$1,886,770	20%	\$0
				Total Additional Revenue from Project Areas:	\$5,283,097		
				Total Deferral Repayments:	\$0		
				Total Deposit to Housing Fund from Project Areas:	\$7,169,867		

California Redevelopment Agencies - Fiscal Year 2010/2011
 Sch A/B Project Area Program Information
PLACER COUNTY

Project Area: NORTH AUBURN

FUTURE UNIT CONSTRUCTION

<u>Contract Name</u>	<u>Execution Date</u>	<u>Estimated Completion Date</u>	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Total</u>
Quartz Ridge	02/22/11	06/30/13	20	11	1	32

Project Area: NORTH TAHOE

FUTURE UNIT CONSTRUCTION

<u>Contract Name</u>	<u>Execution Date</u>	<u>Estimated Completion Date</u>	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Total</u>
Kings Beach Housing	03/24/10	10/01/12	15	44	18	77

OWNER-OCCUPIED UNITS

	<u>Report Year</u>	<u>Amount</u>	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Total</u>
Sales:	2010/2011	\$0	0	1	0	1

**California Redevelopment Agencies - Fiscal Year 2010/2011
Sch D General Project Information
PLACER COUNTY**

Project Area Name: NORTH TAHOE

Project Name: Kings Beach Rental New Construction

NON ASSISTED PROJECT UNITS

<u>Category</u>	<u>vlow</u>	<u>low</u>	<u>mod</u>	<u>amod</u>	<u>Building Permit Number</u>	<u>Building Permit Date</u>
New Constructions	0	0	0	4	121030.06	20-SEP-10
					122869.07	09-NOV-10
					38302.10	26-AUG-10
					122060.07	03-NOV-10
					123165.08	16-SEP-10
					122060.07	03-NOV-10
					123055.07	19-NOV-10
					34931.09	29-OCT-10
					36686.10	01-SEP-10
					122151.07	13-OCT-10
					38073.10	24-AUG-10
					122755.07	22-SEP-10
					38072.10	24-AUG-10

NON ASSISTED PROJECT UNITS

<u>Category</u>	<u>vlow</u>	<u>low</u>	<u>mod</u>	<u>amod</u>	<u>Building Permit Number</u>	<u>Building Permit Date</u>
Substantial Rehab	0	0	0	9	123055.07	19-NOV-10
					122869.07	09-NOV-10
					122060.07	03-NOV-10
					122060.07	03-NOV-10
					34931.09	29-OCT-10
					122151.07	13-OCT-10
					121030.06	20-SEP-10
					123165.08	16-SEP-10
					36686.10	01-SEP-10
					38302.10	26-AUG-10
					38073.10	24-AUG-10
					38072.10	24-AUG-10
					122755.07	22-SEP-10

**California Redevelopment Agencies - Fiscal Year 2010/2011
Sch D General Project Information
PLACER COUNTY**

Project Area Name: OUTSIDE PROJECT AREA

Project Name: First Time Homebuyer Down Payment Assistance
Address: Nugget Way and Orchard Circle Foresthill and Penryn 95631-5663
Owner Name: Meadows and Colacurcio/Duham

UNIT INVENTORY

			<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Mod</u>	<u>Became Ineligible</u>	<u>Total</u>	
<u>Other Provided without LMIHF</u>									
			<u>Unit</u>						
Other Assistance									
Non-Agency	Owner	Non-Elderly	0	2	0	0	0	2	
Unit Total			0	2	0	0	0	2	

PROJECT FUNDING SOURCE

<u>Funding Source</u>	<u>Amount</u>
Federal Funds	\$197,025
Private Funds	\$349,860
Owner Equity	\$17,838

SCHEDULE HCD E
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: PLACER COUNTY

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I [H & SC Section 33413(b)(1)] AGENCY DEVELOPED	
1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0
PART II [H & SC Section 33413(b)(2)] NON-AGENCY DEVELOPED UNITS	
6. New Units	4
7. Substantially Rehabilitated Units	9
8. Subtotal - Baseline of Units (add lines 6 & 7)	13
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	2
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	1
PART III TOTALS	
11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	2
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	1

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: PLACER COUNTY

Project Area: NORTH AUBURN

Project: AUBURN COURTS

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I [H & SC Section 33413(b)(1)] AGENCY DEVELOPED	
1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0
PART II [H & SC Section 33413(b)(2)] NON-AGENCY DEVELOPED UNITS	
6. New Units	0
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	0
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0
PART III TOTALS	
11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: PLACER COUNTY

Project Area: NORTH AUBURN

Project: FIRST TIME HOMEBUYER ASSISTANCE

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I [H & SC Section 33413(b)(1)] AGENCY DEVELOPED	
1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0
PART II [H & SC Section 33413(b)(2)] NON-AGENCY DEVELOPED UNITS	
6. New Units	0
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	0
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0
PART III TOTALS	
11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: PLACER COUNTY

Project Area: NORTH AUBURN

Project: SCATTERED SITES SINGLE FAMILY SUBSTANTIAL REHABILITATION

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I [H & SC Section 33413(b)(1)] AGENCY DEVELOPED	
1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0
PART II [H & SC Section 33413(b)(2)] NON-AGENCY DEVELOPED UNITS	
6. New Units	0
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	0
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0
PART III TOTALS	
11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: PLACER COUNTY

Project Area: NORTH AUBURN

Project: SILVER BEND WAY - NEW CONSTRUCTION AFFORDABLE RENTAL UNITS

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I [H & SC Section 33413(b)(1)] AGENCY DEVELOPED	
1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for <u>Very-Low Income</u> Units (line 4 x 50%)	0
PART II [H & SC Section 33413(b)(2)] NON-AGENCY DEVELOPED UNITS	
6. New Units	0
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	0
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0
PART III TOTALS	
11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: PLACER COUNTY

Project Area: NORTH AUBURN

Project: SINGLE FAMILY NEW CONSTRUCTION

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I
[H & SC Section 33413(b)(1)]
AGENCY DEVELOPED

1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0

PART II
[H & SC Section 33413(b)(2)]
NON-AGENCY DEVELOPED UNITS

6. New Units	0
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	0
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0

PART III
TOTALS

11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation Is based on Implementation Plan)

Report Year: 2010/2011

Agency: PLACER COUNTY

Project Area: NORTH TAHOE

Project: HOMEBUYER ASSISTANCE

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I [H & SC Section 33413(b)(1)] AGENCY DEVELOPED	
1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0
PART II [H & SC Section 33413(b)(2)] NON-AGENCY DEVELOPED UNITS	
6. New Units	0
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	0
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0
PART III TOTALS	
11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: PLACER COUNTY

Project Area: NORTH TAHOE

Project: HOMEBUYER ASSISTANCE SCATTERED SITES

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I [H & SC Section 33413(b)(1)] AGENCY DEVELOPED	
1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0
PART II [H & SC Section 33413(b)(2)] NON-AGENCY DEVELOPED UNITS	
6. New Units	0
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	0
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0
PART III TOTALS	
11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: PLACER COUNTY

Project Area: NORTH TAHOE

Project: KINGS BEACH REHABILITATION PROGRAM

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I
 [H & SC Section 33413(b)(1)]
AGENCY DEVELOPED

1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0

PART II
 [H & SC Section 33413(b)(2)]
NON-AGENCY DEVELOPED UNITS

6. New Units	0
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	0
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0

PART III
TOTALS

11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: PLACER COUNTY

Project Area: NORTH TAHOE

Project: KINGS BEACH RENTAL NEW CONSTRUCTION

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I
[H & SC Section 33413(b)(1)]
AGENCY DEVELOPED

1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0

PART II
[H & SC Section 33413(b)(2)]
NON-AGENCY DEVELOPED UNITS

6. New Units	4
7. Substantially Rehabilitated Units	9
8. Subtotal - Baseline of Units (add lines 6 & 7)	13
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	2
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	1

PART III
TOTALS

11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	2
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	1

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: PLACER COUNTY

Project Area: NORTH TAHOE

Project: SCATTERED SITES MULTI-FAMILY SUBSTANTIAL REHABILITATION

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I [H & SC Section 33413(b)(1)] AGENCY DEVELOPED	
1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0
PART II [H & SC Section 33413(b)(2)] NON-AGENCY DEVELOPED UNITS	
6. New Units	0
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	0
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0
PART III TOTALS	
11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: PLACER COUNTY

Project Area: NORTH TAHOE

Project: SCATTERED SITES SINGLE-FAMILY SUBSTANTIAL REHABILITATION

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I
[H & SC Section 33413(b)(1)]
AGENCY DEVELOPED

1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0

PART II
[H & SC Section 33413(b)(2)]
NON-AGENCY DEVELOPED UNITS

6. New Units	0
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	0
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0

PART III
TOTALS

11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: PLACER COUNTY

Project Area: NORTH TAHOE

Project: SINGLE FAMILY NEW CONSTRUCTION

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I
 [H & SC Section 33413(b)(1)]
AGENCY DEVELOPED

1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	0

PART II
 [H & SC Section 33413(b)(2)]
NON-AGENCY DEVELOPED UNITS

6. New Units	0
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	0
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0

PART III
TOTALS

11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

BLIGHT PROGRESS REPORT

The following section of the annual report has been prepared to provide information required by California Community Redevelopment Law Section 33080.1(d) with respect to the Agency's progress, actions and expenditures to alleviate blighting conditions in its project areas.

The Agency has three separate project areas each with its own separate Implementation Plan. During the fiscal year the Agency carried out numerous activities in each area to address and correct blighting conditions.

North Auburn Project Area

The North Auburn Redevelopment Plan was adopted in 1997 and the Agency began redevelopment implementation activities at that time. According to the North Auburn Redevelopment Project Area Five Year Implementation Plan 2007-2012, the Project Area contains the following blighting conditions:

- Deteriorated buildings
- Lack of neighborhood commercial facilities
- Incompatible uses
- Impaired investments
- Depreciated and stagnant property values
- Lots of irregular shape, inadequate size and under multiple ownership
- High rate of business vacancies
- Low lease rates
- Abandoned buildings
- Vacant lots
- Inadequate public infrastructure

During the fiscal year 2010-2011 the Agency engaged in the following activities in the Project Area:

Highway 49 Beautification Project – During the fiscal year the Agency hired Bennett Engineering to complete Phase I project design, environmental review, and processing of permits and approvals from Caltrans, the County and utility companies. The Agency obtained easements and landscape maintenance agreements from multiple private property owners to provide for the installation and maintenance of the Phase I project improvements. The Phase I project will include the installation of new sidewalks, landscaping and related improvements on the east side of Highway 49 between New Airport Road and Education Street. During the fiscal year the Agency expended \$207,719 on the project.

Rock Creek Plaza – The Agency managed a CDBG grant of \$1,804,906 that was awarded by HCD for the Rock Creek Plaza Shopping Center project. The funds were used to design and install sidewalks, landscaping and associated street improvements to

Highway 49, Bell Road and Quartz Drive adjacent to and within the Rock Creek Plaza Shopping Center. The financing of these public improvements has assisted a substantial facelift and upgrade of the center. During the fiscal year installation of the public improvements was completed. The Agency and State HCD confirmed that new jobs were created in the shopping center in association with the project and in compliance with the CDBG grant agreement. \$160,295 of Agency funds and \$1,004,893 of CDBG grant funds were expended during the year.

Business Improvement Loans – The Agency continues to operate and market its Business Improvement Loan Program whereby the Agency offers three basic kinds of loans: forgivable business property façade loans up to \$30,000, commercial property rehabilitation loans up to \$150,000 and mixed use predevelopment loans. The Agency discussed potential new loans and projects with multiple business and property owners during the year, but no loans were issued.

Quartz Ridge Housing Project – During the fiscal year the Agency approved a Disposition and Development Agreement with the development team of Quartz Ridge Family Apartments, LP. Through this agreement the Agency pledged to contribute a 6.1 acre Agency-owned property within the North Auburn Redevelopment Project Area and a \$2,000,000 residual receipts loan for the development of a 64 unit affordable family apartments project on the site. A portion of the Agency funds were used for design, engineering and related predevelopment costs, but the majority of the Agency funds and the property will be conveyed when the developer obtains full funding commitments, building permits and is ready to begin construction. The developer applied for Low Income Housing Tax Credits, but did not win award of the tax credits. The developer and Agency continue to collaborate to seek funding and project implementation assistance. During the fiscal year the Agency spent \$224,821 for the project.

Housing Rehabilitation Assistance – The Agency assists low and moderate income homeowners to rehabilitate their homes through low interest and sometimes deferred loans, funded with North Auburn, Sunset Industrial and grant funds.

First Time Homebuyer Assistance – The Agency assists low and moderate income residents to acquire homes through low interest second mortgage loans.

Sunset Industrial Project Area

The Sunset Industrial Redevelopment Plan was adopted in 1997 and the Agency began redevelopment implementation activities at that time. According to the Sunset Industrial Redevelopment Project Area Five Year Implementation Plan 2007-2012, the Project Area contains the following blighting conditions:

- Incompatible land uses
- Unsafe, dilapidated or deteriorated buildings
- Inadequate infrastructure
- Inadequate public improvements or water and sewer utilities

- Lots that are irregularly shaped, inadequate in size and/or under multiple ownerships
- Physical conditions that limit the economic viability and use of lots and buildings
- Depreciated or stagnant property values and impaired investments
- Abnormally high business turnovers, low lease rates and abandoned buildings or vacant lots
- Serious lack of neighborhood commercial facilities
- High crime rates

During the Fiscal Year 2010-2011 the Agency engaged in the following activities in the Project Area:

Highway 65/Sunset Boulevard Interchange – During the fiscal year construction was completed for this critical freeway/main arterial road interchange, which will significantly improve safety and access within the Project Area. The Agency contributed \$2,500,000 of Project Area tax increment funding to assist this project.

Overcrossing Study – The Agency contributed \$1,000,000 for the planning and feasibility analysis of potential railroad overcrossings in the Project Area. A consultant was hired by the County Department of Public Works and the study was completed.

Infrastructure Improvements – The Agency has committed to contribute an additional \$3,500,000 in Project Area tax increment funding for strategic road and related infrastructure improvements serving the Project Area. This Agency contribution is being used to offset extraordinary costs and reduce development impact fees, which have been viewed as obstacles to new private development.

Development Planning and Support – The Agency has provided planning and technical assistance to the new Sunset Area business association as well as to individual local property owners, who have proposed various new development projects ranging from industrial parks to hotels and commercial retail uses.

Housing – Zoning within the Project Area does not allow for residential development. As a result, Project Area 20% Low and Moderate Income Housing Setaside funds are used outside of the Project Area to assist the improvement and increase in the supply of affordable housing throughout the western portion of unincorporated Placer County. The funds are often combined with North Auburn Project Area funds and/or grant funds to support affordable housing projects as well as the Housing Rehabilitation Assistance Loan and First Time Homebuyer Loan programs. During the year the Agency approved and issued two Homebuyer Loans totaling \$185,000. All of these loans used CalHome and HOME funds and no Redevelopment tax increment funding was used.

Seniors First Handyperson Program – During the fiscal year the Agency provided \$39,845 in funding to Seniors First to assist the Handyperson Program which provides free minor repairs to eligible seniors and disabled residents of the County.

Sheridan Improvements – The Agency assisted the County in applying for and receiving an \$800,000 CDBG grant. Work began on the three tiered grant program, which includes housing rehabilitation loans, acquiring and installing computer and associated technology equipment at Sheridan Elementary School, as well as designing and installing improvements to the water delivery system in Sheridan.

Neighborhood Stabilization Program – The Agency assisted the County in obtaining in Federal Neighborhood Stabilization Program (NSP) funding and the County entered into a cooperative agreement with the Cities of Lincoln and Rocklin to administer the NSP program on their behalf. The County also entered into an agreement with Mercy Housing of California (MHC) to acquire foreclosed homes, rehabilitate them and make them available for low and moderate income first time homebuyers at an affordable cost. During the year eight homes were acquired and rehabilitated. Six of the new homes were completed and resold to eligible first time homebuyers. During the year \$1,160,627 of NSP grant and program income funds were expended on the program.

North Lake Tahoe Project Area

The North Lake Tahoe Redevelopment Plan was adopted in 1996 and the Agency began redevelopment implementation activities at that time. According to the North Lake Tahoe Redevelopment Project Area Five Year Implementation Plan 2006-2011, the Project Area contains the following blighting conditions:

- Deteriorated buildings
- High commercial vacancy rates and underutilized parcels
- Inadequate supply of affordable housing
- Small and irregular lots and faulty exterior spacing
- Deteriorated, obsolete and aged building types
- Mixed land uses
- Inadequate and deteriorated public improvements, facilities and utilities
- Inadequate water quality protection systems

During the Fiscal Year 2010-2011 the Agency engaged in the following activities in the Project Area:

New Five Year Implementation Plan – The Agency prepared and the Agency Board approved a new Five Year Implementation Plan for the Project Area. The new plan describes the previous activities and accomplishments as well as the goals, programs and planned activities, projects and expenditures for the next five year period. The new plan also addresses past accomplishments and planned activities and expenditures for housing production, displacement and replacement.

Tahoe City Gateway Monument Signs – Installation was completed for two gateway monument signs that decorate the main entries into Tahoe City along State Highway 89. The Agency expended \$30,927 of tax increment funds for this project during the fiscal year.

Tahoe City Transit Center – During the fiscal year construction proceeded on this project and all earthwork, paving, utility work and a substantial portion of the structures work was completed. The Agency expenditures for design costs of this project were incurred in the previous fiscal year.

Tahoe City Wye Project – The Agency has budgeted \$200,000 to design and install enhancements to the gateway intersection of Highways 28 and 89 in Tahoe City. During the fiscal year the Agency collaborated with the County Departments of Economic Development and Public Works, Caltrans, the Tahoe City Downtown Association and local residents to continue planning and preliminary design for the project.

Tahoe City Downtown Association – The Agency provided \$65,000 in funding to assist the operation of the Tahoe City Downtown Association, which coordinated local commercial revitalization activities such as special events, marketing, and business assistance, using the Main Street operating model.

North Tahoe Business Association - The Agency provided \$65,000 in funding to assist the operation of the North Tahoe Business Association, which coordinated local commercial revitalization activities such as special events, marketing, and business assistance in the Kings Beach/Tahoe Vista area, using the Main Street operating model.

Deer/Rainbow Parking Lot – During the fiscal year the Agency continued planning and preliminary design work on the public parking and water quality improvements project in Kings Beach. The Agency Board approved a services agreement with the Placer County Public Works Department (DPW) to make available Agency funds for DPW to manage the project. During the fiscal year \$7,825 of Agency funds were expended on the project.

Kings Beach Eastern Gateway Project – The Agency has been incrementally acquiring parcels and conducting site cleanup on the 1.3 acre site on the south side of North Lake Boulevard, west of Chipmunk Street, in Kings Beach. During the fiscal year the Agency continued to monitor contamination issues and coordinate with the Lahontan Regional Water Quality Control Board (Lahontan) in the preparation of a site remediation plan. The Agency submitted a site remediation plan, which was approved by Lahontan. An Agency planning consultant conducted site redevelopment feasibility analysis and prepared conceptual design drawings for development the site. The Agency issued a Request for Proposals to recruit a development team for a future project. A proposal was submitted and the Agency met with the development team to refine the proposal and negotiate an Exclusive Negotiating Rights Agreement. The Agency expended \$94,199 for the site activities during the fiscal year.

Swiss Mart Project – The Agency previously acquired the site of the former Swiss Mart gas station at the northwest corner of North Lake Boulevard and Chipmunk Street in Kings Beach. In past years the Agency demolished vacant structures, removed contaminated soil and underground storage tanks, and installed fencing. During the fiscal

year the Agency expended \$16,879 in tax increment funds to continue remediation of the site and to plan for potential future redevelopment.

Commercial Core Improvement Project – The Agency has committed to contribute \$11,000,000 in tax increment and bond funds for the Kings Beach Highway 28 Commercial Core Improvement Project. This project will reconstruct the highway corridor to provide new sidewalks, bike lanes, controlled pedestrian crossings, drainage improvements and decorative enhancements throughout the Kings Beach central business district. The Agency contributions will include the provision of nearby public parking lots (described as separate projects) as well as direct contributions to the Highway 28 improvements. During the fiscal year the Agency approved a comprehensive Services Agreement with the County to memorialize Agency funding commitments and outline project implementation activities planned to be carried out by the County and Agency. During the fiscal year \$11,955 of Agency funds were expended on the project.

BB, LLC Mixed Use Project – On June 10, 2008 the Agency entered into an Exclusive Negotiating Rights Agreement and approved a \$500,000 predevelopment loan agreement for this proposed commercial, residential, office and public improvements project in Kings Beach. During the fiscal year the project continued design and environmental review work. An initial study and Notice of Preparation were prepared and reviewed by the public, County and Tahoe Regional Planning Agency. The Agency expended \$4,347,092 on the project during the fiscal year including \$4,250,000 to acquire first mortgages for the more than three acre project site property and the Agency is now the primary lender for the property.

Domus Development Kings Beach Scattered Sites Housing Project – In 2007 the Agency entered into an Exclusive Negotiating Rights Agreement and approved a \$1,136,500 predevelopment loan agreement for this new affordable housing project in Kings Beach. The project was granted \$2,100,000 in HOME funding and \$3,314,400 in Infill Infrastructure funding and the project obtained environmental certification and entitlements approvals from the County and Tahoe Regional Planning Agency. The Agency approved a Disposition, Development and Loan Agreement with the developer whereby the Agency agreed to contribute to the project the amount of the previously approved predevelopment loan and an additional \$2,100,000 in Agency funding and also agreed to transfer title for the five project sites to the developer. Through a promissory note the developer has a total loan obligation to the Agency of \$7,918,300. In April 2010 the project was awarded Low Income Housing Tax Credits, which completed the necessary funding for the project. Demolition and site preparation work began in the Summer of 2010. During the fiscal year the project made substantial progress in construction and the Agency expended \$1,802,682 of tax increment and \$456,419 in grant and loan funds.

Business Improvement Loans – During the fiscal year, \$10,197 of an approved Agency façade loan of \$14,902, was expended for the installation of lighting and door improvements at the Mourelatos Lake Shore Resort at 6834 North Lake Boulevard in Tahoe Vista. The work was completed.

Housing Rehabilitation Assistance – During the fiscal year construction work for one Housing Rehabilitation Assistance loan for \$31,883 of CDBG grant funds was completed for a single home in Kings Beach. Placer County was awarded another \$400,000 of CDBG funds for additional Housing Rehabilitation Assistance loans in Kings Beach and the Agency continues to assist the County in the marketing and management of this program.

Kings Beach Everett Property – The Agency acquired a site located at 8716-8720 North Lake Boulevard in Kings Beach. The purpose of the acquisition is two-fold: a) to install a public parking lot to serve the Kings Beach Commercial Core area and b) to develop the front portion of the site as a private mixed use project. During the year the Agency issued a request for development proposals, but received no proposals for a potential mixed use project. The Agency began the planning effort to process a boundary line adjustment and worked with the County Public Works Department to determine the County needs and requirements for a public parking lot. An engineering consultant was engaged to begin design of the parking lot project. The Agency expended \$23,266 during the fiscal year.

Loan Report

For the Year Ended June 30, 2011

This Loan Report is submitted to satisfy the requirements of California Health and Safety Code, Section 33080.1(e), which states that a redevelopment agency's annual report shall contain "a list of, and status report on, all loans made by the redevelopment agency that are fifty thousand dollars (\$50,000) or more, that in the previous fiscal year were in default or not in compliance with the terms of the loan approved by the redevelopment agency".

Name	Maturity	Loan Amount	Issue	Status
B. B. LLC	1/10/2010	\$1,300,000	Non-payment	In Default
B. B. LLC	1/01/2010	937,500	Non-payment	In Default
B. B. LLC	2/26/2010	4,239,855	Non-payment	In Default
Andrea Napoli	N/A	150,000	Non-payment of first mortgage	In Default
Total		\$6,627,355		

**Redevelopment Agency Property
Property Report
6-30-11**

APN	Description	Purpose	Gross Lot SF	Date of Purchase	Land Cost	Intangible Cost	Infrastructure	Improvements	Total
094-090-019	Marina, Tahoe City Easement	Easement		11/02/06		\$304,088.30			\$304,088.30
094-110-023	Jackpine, Tahoe City Parking Lot	Parking Lot	38,333 Sq Ft	06/30/07	\$48,003.00		\$1,292,297.51		\$1,340,300.51
090-126-020	Salmon Avenue, Kings Beach Vacant Land	Future Multi-use Project	.29 Acres	08/07/05	\$404,463.38	\$87,502.50			\$491,965.88
090-192-060 090-192-059 090-192-058	Minnow Avenue, Kings Beach Parking Lot Parking Lot Parking Lot	Parking Lot	9,662 Sq Ft Included Above Included Above	03/03/05		\$470,917.50	\$9,082.50	\$613,322.65	\$1,093,322.65
090-122-019	Brook Avenue, Kings Beach Parking Lot	Parking Lot	12,500 Sq Ft	09/02/03	\$284,733.55		\$475,522.07		\$760,255.62
090-370-005 090-370-006	Brockway, Kings Beach Vacant Land Vacant Land	Future Multi-use Project	.06 Acres .11 Acres	05/02/06 02/15/07		\$70,057.75	\$21,990.00		\$92,047.75
090-192-041 090-192-055	8797 North Lake Blvd, Kings Beach Vacant Land Vacant Land	Future Multi-use Project	0.2 Acres 0.11 Acres	11/07/06		\$390,373.30	\$131,527.50		\$521,900.80
090-221-013 090-221-014 090-221-020	8776 & 8784 North Lake Blvd, Kings Beach Vacant Land Vacant Land Vacant Land	Future Multi-use Project	.52 Acres Included Above Included Above	04/20/07		\$760,301.94	\$94,347.50		\$854,649.44

**Redevelopment Agency Property
Property Report
6-30-11**

APN	Description	Purpose	Gross Lot SF	Date of Purchase	Land Cost	Intangible Cost	Infrastructure	Improvements	Total
090-074-002	Deer/Rainbow, Kings Beach Vacant Land	Future Parking Lot	.59 Acres	10/19/07	\$515,249.87			\$62,070.42	\$577,320.29
090-221-018 090-221-021	8788 & 8790 North Lake Boulevard, Kings Beach Land Land	Future Multi-use Project	.12 Acres .09 Acres	01/09/08	\$654,707.49	\$97,260.00		\$328,457.47	\$1,080,424.96
090-221-026 090-221-027 090-221-012	8796 & 8798 North Lake Boulevard, Kings Beach Land Land Land	Future Multi-use Project	.27 Acres .09 Acres .06 Acres	11/26/08	\$828,792.54	\$93,925.00			\$922,717.54
090-142-001 090-142-002 090-142-012 090-142-011	8716 & 8720 North Lake Boulevard/ 8717 & 8723 Brockway Vista, Kings Beach Vacant Land Vacant Land Vacant Land Vacant Land	Future Multi-Use Project & Parking	.19 Acres .28 Acres .26 Acres .17 Acres	07/21/09	\$2,061,664.85	\$15,000.00			\$2,076,664.85
054-171-031 054-171-032 054171-035 054-171-036 054-171-037 054-171-038	360 Silver Bend Avenue, Auburn Vacant Land Vacant Land Vacant Land Vacant Land Vacant Land Vacant Land	Future Affordable Housing Project	6.5 Acres Included Above Included Above Included Above Included Above Included Above	11/04/08	\$816,164.28				\$816,164.28

**Redevelopment Agency Property
Property Report
6-30-11**

APN	Description	Purpose	Gross Lot SF	Date of Purchase	Land Cost	Intangible Cost	Infrastructure	Improvements	Total
Bear Sign	Bowman	Community Gateway		06/30/05			\$64,925.31		\$64,925.31
	Auburn Plaza Signal Road	Public Right-of-Way Improvement	N/A	02/20/09			\$115,000.00 \$4,813,507.65		\$115,000.00 \$4,813,507.65
	Rock Creek Roads	Public Right-of-Way Improvement	N/A	12/14/10			\$1,086,072.97	\$143,550.52	\$1,086,072.97 \$143,550.52
	Monuments KB Gateway TC Gateway Sign TC Gateway Sign	Community Gateway	N/A	06/30/11				\$323,186.40 \$129,109.44 \$129,109.44	\$323,186.40 \$129,109.44 \$129,109.44
					\$7,305,429.45	\$854,723.30	\$8,460,648.16	\$1,115,483.69	\$17,736,284.60