

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

**MEMORANDUM**

**TO:** Honorable Members of the Redevelopment Agency Board  
**FROM:** Richard Colwell, Chief Assistant CFO-Redevelopment Director  
James LoBue, Deputy Director *JLP*  
**DATE:** September 8, 2009  
**SUBJECT:** Adopt a Resolution Approving the Redevelopment Agency's FY 2009-2010 Final Budget in the Amount of \$36,079,592.

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**ACTION REQUESTED**

Adopt a resolution approving the Redevelopment Agency's (Agency) FY 2009-2010 Final Budget in the amount of \$36,079,592.

**BACKGROUND**

At the June 23, 2009 meeting, your Board approved the Proposed Agency Budget for FY 2009-2010 and a Work Plan in the amount of \$26,559,626. The Agency's FY 2009-2010 Final Budget follows the same Work Plan, which encompasses projects and programs that are spread across three distinct Redevelopment Project Areas – North Auburn, North Lake Tahoe, and Sunset Industrial. Each Project Area requires separate funds and accounting as well as reporting obligations to the State. The Work Plan to be funded by the Agency includes property acquisition and management, commercial and housing loan programs, commercial and mixed-use development projects, continued construction of parking facilities, infill housing development, property maintenance, debt service, and support for major County public facilities projects, such as the Kings Beach Commercial Core Improvement Project, Highway 65/Sunset Boulevard Interchange Project, and the Auburn-Bowman Sewer Siphon Project.

**DISCUSSION**

The challenges of the coming year necessitate a fiscally conservative approach to the budget. The FY 2009-2010 Final Budget represents a total decrease in revenues due to the State budget taking and a slowing of projected tax increment revenue. In reaction to the State's taking and anticipating a continuation of the current sluggish economy through FY 2009-2010, a number of actions are proposed to offset the impacts of reduced revenues. Reserves are utilized to pay the \$3.2 million to the State, 2 ½ staff positions (15% of total) are vacated and unfunded, and capital projects are realigned and designated reserves re-budgeted. To meet the State's "takeaway", the Agency's fund balance was reviewed and designated to the programs and projects of highest priority. Examples include a designation for the repayment of the California Housing Finance Agency (CalHFA) loan and the funding of reserves for the Kings Beach Community Enhancement Program (CEP) Infrastructure projects currently undergoing planning and design review.

### FINAL BUDGET CHANGES FROM THE PROPOSED BUDGET

The Agency's FY 2009-2010 Final Budget totals \$36,079,592 and is broken down into basic categories and compared to the FY 2009-2010 Proposed Budget as follows:

	<b>Proposed</b>	<b>Final</b>	<b>Difference</b>
Beginning Fund Balance	17,021,633	29,104,252	12,082,619
Total Revenue	<u>9,537,994</u>	<u>6,975,340</u>	<u>( 2,562,654)</u>
<b>Total Available</b>	<b>\$26,559,627</b>	<b>\$36,079,592</b>	<b>\$ 9,519,965</b>
Estimated Expenditures	18,111,388	20,300,117	2,188,729
Project Reserves	<u>8,448,239</u>	<u>15,779,475</u>	<u>7,331,236</u>
<b>Grand Total Budget</b>	<b>\$26,559,627</b>	<b>\$36,079,592</b>	<b>\$9,519,965</b>

These changes reflect the difference between actual and the estimated beginning fund balance for the year. The Final Budget actual fund balance is an increase of \$12,082,619 above the estimate in the Proposed Budget. This increase primarily reflects accounting for funds in designated reserves that were previously not shown in the Proposed Budget. The budgeted amount for project reserves is now \$15,779,475. Reserves for specific projects include \$5,678,886 for the Commercial Core Improvement Project, which is the remainder of the Agency's \$11,000,000 total funding commitment for this project, as well as \$4,851,008 for CEP Projects Infrastructure Improvements, \$2,019,863 for Sunset Transportation Improvements, \$1,197,879 for payoff of a California Housing Finance Agency (CHFA) loan, and \$643,406 for the Hwy 49 Beautification Project.

In the Final Budget the Agency's total estimated revenue has decreased by \$2,562,654 from the estimate provided in the Proposed Budget, primarily due to the State taking of approximately \$3.2 million. Tax increment decreased by \$3,140,546, while estimates of grant revenue and transfers increased.

Net expenditures are projected to increase by \$2,188,729. Significant increases include \$486,548 in the commercial and housing loan programs in all Project Areas, additional funding of \$240,669 in the Rock Creek Plaza Project, and \$1,160,231 in the Auburn-Bowman Sewer Siphon Project. These funds were included in the FY 2008-2009 Budget but remained unspent at the end of the fiscal year. The funds were not shown in the FY 2009-2010 Proposed Budget, but are now included in the increased amounts for both Beginning Fund Balance and Expenditures in the Final Budget.

The attached Final Budget Summary provides a breakdown of the Balances, Revenues, Expenditures and Reserves for each of the three Project Areas and also delineates tax increment, bonds, and other funds.

**FISCAL IMPACT**

There is no fiscal impact to the Placer County General Fund. The Agency's FY 2009-2010 Final Budget is fully funded by a combination of tax increment, bond proceeds, and State and Federal funding.

**RECOMMENDATION**

Adopt a resolution approving the Agency's FY 2009-2010 Final Budget in the amount of \$36,079,592.

Respectfully submitted,

*Richard Colwell*

Richard Colwell  
Chief Assistant CEO–Redevelopment Director

Attachments: Resolution  
Final Budget Summary

cc: Karin Schwab, Agency Counsel

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

In the matter of:

Approval of the Redevelopment Agency's final FY 2009-2010  
Budget in the amount of \$36,079,592

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

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

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

The following Resolution \_\_\_\_\_ was duly passed by the Redevelopment Agency Board  
of the County of Placer at a regular meeting held \_\_\_\_\_

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:  
Clerk of said Board

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

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WHEREAS, pursuant to California Health & Safety Code Section 33606, a Final Budget for Fiscal Year 2009-2010 is submitted to the Redevelopment Agency (Agency) by the Redevelopment Director and is attached as "Final Budget Summary";

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

WHEREAS, the deposit of twenty per cent (20%) of the net tax increment is budgeted in Fund 504, Housing Set-Aside in the amount of \$2,152,205;

146

WHEREAS, the public improvements set forth in the Agency Fiscal Year 2009-2010 Final Budget are of benefit to the respective Redevelopment Project Areas in and near where such improvements will be constructed;

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

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

WHEREAS, to the benefit of the Agency, Placer County staff provide valuable program management, planning, and financial management for the Agency in the sum of \$1,837,537;

WHEREAS, all designated reserves are released for designated projects or re-budgeted due to the payment to the State and termination of projects. The result is an estimated \$15,779,475 remaining in reserves for individual Project Areas and bond funds detailed in the attached Fiscal Year 2009-2010 Final Budget Summary;

WHEREAS, the proposed planning and administrative expenses are necessary for the production, improvement, or preservation of low- and moderate-income housing during the Fiscal Year 2009-2010 Agency budget year; and

WHEREAS, pursuant to Health and Safety Code section 333334.2 (g) the use of monies from the Housing Set-Aside Fund to fund housing projects outside any Redevelopment Project Area will be of benefit to each Redevelopment Project Area within the County.

NOW, THEREFORE, BE IT RESOLVED by the Placer County Redevelopment Agency Board that the Fiscal Year 2009-2010 Agency Final Budget is hereby adopted.

PLACER COUNTY REDEVELOPMENT AGENCY  
FY 2009-10

FINAL BUDGET SUMMARY

Revenues	N. Tahoe 504-100	N. Auburn 504-200	Sunset 504-300	General 504-400	CW Hsg Bond 504-500	Total Housing	N. Tahoe 505-100	N. Auburn 505-200	Sunset 505-300	NT Bond 505-600	NA Bond 505-700	Total Capital Projects	FY'09-10 Final Budget
Available Fund Balance (Unreserved/Undesignated)	2,063,044	511,397	171,200	-	1,740,346	4,485,987	2,726,018	374,095	1,742,861	3,151,263	1,619,578	9,815,875	14,501,802
Cancel Reserves	1,067,987	20,471	77,156	-	-	1,165,614	943,980	132,812	1,739,482	9,899,133	916,429	13,636,836	14,802,450
Tax Increment	1,342,911	321,493	487,881	-	-	2,152,205	1,199,708	841,452	453,059	-	-	2,494,249	4,646,454
Long-Term Debt Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenues	75,900	-	-	185,329	240,669	500,998	32,880	1,795,008	-	-	-	1,827,888	2,328,886
<b>Total FY09-10 Revenue</b>	<b>1,417,831</b>	<b>321,493</b>	<b>487,881</b>	<b>185,329</b>	<b>240,669</b>	<b>2,653,203</b>	<b>1,232,588</b>	<b>2,636,460</b>	<b>453,089</b>	<b>-</b>	<b>-</b>	<b>4,322,137</b>	<b>6,975,340</b>

<b>FY09-10 Available Revenues</b>	<b>4,548,862</b>	<b>853,361</b>	<b>736,237</b>	<b>185,329</b>	<b>1,981,015</b>	<b>8,304,804</b>	<b>4,907,586</b>	<b>3,143,367</b>	<b>3,935,432</b>	<b>13,252,396</b>	<b>2,536,007</b>	<b>27,774,788</b>	<b>36,079,592</b>
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Expenditures	N. Tahoe 504- 100	N. Auburn 504-200	Sunset 504- 300	General 504- 400	CW Hsg Bond 504-500	Total Housing	N. Tahoe 505- 100	N. Auburn 505- 200	Sunset 505- 300	NT Bond 505- 600	NA Bond 505- 700	Total Capital Projects	FY'08-09 Final Budget
Salaries & Employee Benefits	156,953	97,096	176,528	173,956	44,251	548,775	653,100	133,452	193,402	41,740	55,038	988,763	1,837,538
Services & Supplies	374,491	107,958	421,107	11,171	74,722	689,649	1,144,439	1,907,615	227,423	1,402,729	974,884	5,656,911	6,346,860
Other Charges	1,172,600	206,806	438,621	-	1,862,042	3,680,069	1,995,516	801,227	1,584,744	92,533	1,161,971	5,635,951	9,316,020
Land	500,000	-	-	-	-	500,000	420,000	-	-	1,000,000	-	2,300,000	2,800,000
<b>Subtotal FY09-10 Expenditures</b>	<b>2,404,054</b>	<b>411,858</b>	<b>736,237</b>	<b>185,329</b>	<b>1,981,015</b>	<b>5,718,493</b>	<b>4,193,085</b>	<b>2,844,314</b>	<b>1,915,569</b>	<b>3,437,002</b>	<b>2,191,654</b>	<b>14,581,624</b>	<b>20,300,117</b>

<b>**FY09-10 Designated Reserves</b>	<b>2,144,808</b>	<b>441,503</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,586,311</b>	<b>714,501</b>	<b>299,053</b>	<b>2,019,863</b>	<b>9,815,394</b>	<b>344,353</b>	<b>15,193,164</b>	<b>15,779,475</b>
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<b>Grand Total Budget</b>	<b>4,548,862</b>	<b>853,361</b>	<b>736,237</b>	<b>185,329</b>	<b>1,981,015</b>	<b>8,304,804</b>	<b>4,907,586</b>	<b>3,143,367</b>	<b>3,935,432</b>	<b>13,252,396</b>	<b>2,536,007</b>	<b>27,774,788</b>	<b>36,079,592</b>
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