

PLACER COUNTY

REDEVELOPMENT AGENCY

MEMORANDUM

TO: Honorable Members of the Redevelopment Agency Board
FROM: Richard Colwell, Chief Assistant CEO-Redevelopment Director *REC Colwell*
James LoBue, Deputy Director
DATE: September 23, 2008
SUBJECT: Adopt a Resolution Approving the Redevelopment Agency's FY 2008-2009 Final Budget in the Amount of \$38,164,057.

ACTION REQUESTED

Adopt a resolution approving the Redevelopment Agency's (Agency) FY 2008-09 Final Budget in the amount of \$38,164,057.

BACKGROUND

At the June 24, 2008 meeting, your Board approved the Work Plan and Proposed Budget for the FY 2008-09 in the amount of \$24,340,205. The Agency's Final FY 2008-09 budget encompasses projects and programs that are spread across three distinct Project Areas. Each area requires separate funds and accounting as well as reporting obligations to the State. The work plan to be funded by the Agency 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 Final FY 2008-2009 Budget represents a total increase of \$13,823,852 above the adopted FY 2008-2009 Proposed Budget. This significant numerical increase in the budget total primarily represents a change in the Agency's accounting of fund balance. Funds that were considered held in designated reserves for use in future years were not included in the approved Proposed Budget, but are now included in the Final Budget. In addition, in the months since adoption of the Proposed Budget, there have been several substantial work program changes. Capital projects were realigned and designated reserves were re-budgeted. Examples include the acquisition of land in North Auburn for an affordable housing project and improvements to the Tahoe City Wye and Transit Center.

The Final Budget revenue totals have been adjusted downward to reflect an assumed new withholding by the State of redevelopment revenues. Finally, since approval of the Proposed Budget, the Agency has received final fiscal year accounting information which provides the actual fund balances. When the final fiscal year accounting information is adjusted, the Placer County

Budget and Financial Policy require that a Final Budget be submitted for consideration and adopted by September 30th of each year.

The Agency's FY 2008-2009 Final Budget totals \$38,164,057 and can be seen broken down into basic categories and in comparison to the FY 2008-2009 Proposed Budget as follows:

	Proposed	Final	Difference
Beginning Fund Balance	16,523,828	30,666,402	14,142,574
Total Revenue	<u>7,816,377</u>	<u>7,497,655</u>	<u>(318,722)</u>
Budgeted Fund Balance	\$24,340,205	\$38,164,057	\$ 13,823,852
Estimated Expenditures	23,077,911	24,908,270	1,830,359
Project Reserves	<u>1,262,294</u>	<u>13,255,787</u>	<u>11,993,493</u>
Grand Total Expenditures	\$24,340,205	\$38,164,057	\$13,823,852

These changes reflect the actual beginning fund balance for the year. This results in an increase of \$14,142,574 above the estimate in the Proposed Budget. As stated, this number primarily reflects accounting for funds in designated reserves that previously were not shown in the Proposed Budget. The amount now showing as projected end of FY 2008-2009 project reserves is \$13,255,787.

The Agency's total estimated revenue has decreased by \$318,870, primarily due to an assumed State adoption of the Governor's State Budget proposal to take Redevelopment Agency funds statewide to help balance the State budget.

Net expenditures are projected to increase by \$1,830,359. This increase is primarily due to increases in the commercial loan program in the North Auburn and Sunset Industrial Project Areas and the land acquisition in North Auburn.

Attachment A provides a breakdown of these same categories divided by the three Project Areas and between tax increment and bond funds. Attachment B shows the Agency's proposed indebtedness for each of the three Project Areas.

FISCAL IMPACT

There is no fiscal impact to the Placer County General Fund. The Agency's FY 2008-09 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 2008-09 Final Budget in the amount of \$38,164,057.

Respectfully submitted,

Richard Colwell

Richard Colwell
Chief Assistant CEO–Redevelopment Director

Attachments: A – Agency Budget
B – Final Indebtedness
Resolution

cc: Karin Schwab, Agency Counsel

ATTACHMENT A

PLACER COUNTY REDEVELOPMENT AGENCY
FY 2008-09

FINAL BUDGET SUMMARY

Revenues	N. Tahoe 505-100	N. Auburn 505-200	Sunset 505-300	NT Bond 505-600	NA Bond 505-700	Total Capital Projects	N. Tahoe 504-100	N. Auburn 504-200	Sunset 504-300	General 504-400	CW Hsg Bond 504-500	Total Housing	FY'08-09 Proposed Budget
Estimated Carryover Fund Balance	4,102,188	1,025,066	4,605,143	13,244,150	2,237,332	25,213,879	2,500,919	133,864	305,927	-	2,511,813	5,452,523	30,666,402
Tax Increment	3,107,692	704,454	1,182,446	-	-	4,994,591	1,133,378	249,292	415,773	-	-	1,798,444	6,793,035
Long-Term Debt Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenues	525,000	-	-	-	-	525,000	100,161	2,691	-	76,768	-	179,620	704,620
Total FY 08-09 Revenue	3,632,692	704,454	1,182,446	-	-	5,519,591	1,233,539	251,984	415,773	76,768	-	1,978,064	7,497,655
Available Revenues	7,734,880	1,729,520	5,787,589	13,244,150	2,237,332	30,733,470	3,734,458	385,848	721,700	76,768	2,511,813	7,430,587	38,164,057
Expenditures	N. Tahoe 505-100	N. Auburn 505-200	Sunset 505-300	NT Bond 505-600	NA Bond 505-700	Total Capital Projects	N. Tahoe 504-100	N. Auburn 504-200	Sunset 504-300	General 504-400	CW Hsg Bond 504-500	Total Housing	FY'08-09 Proposed Budget
Salaries & Employee Benefits	862,676	146,552	119,113	35,238	15,323	1,178,902	492,651	119,598	171,821	73,740	-	857,810	2,036,713
Services & Supplies	1,795,364	1,032,632	165,946	959,629	2,202,989	6,156,559	274,539	54,294	79,068	3,028	100,000	510,928	6,667,487
Other Charges	2,241,977	550,336	3,818,000	2,350,150	-	8,960,463	2,204,027	211,956	470,811	-	1,611,813	4,498,607	13,459,070
Land	1,945,000	-	-	-	-	1,945,000	-	-	-	-	800,000	800,000	2,745,000
Subtotal FY08-09 Expenditures	6,845,017	1,729,520	4,103,059	3,345,017	2,218,312	18,240,925	2,971,216	385,848	721,700	76,768	2,511,813	6,667,345	24,908,270
**FY08-09 Undesignated Reserves	889,862	0	1,684,530	9,899,133	19,020	12,492,545	763,242	(0)	0	-	-	763,242	13,255,787
Grand Total Expenditures	7,734,880	1,729,520	5,787,589	13,244,150	2,237,332	30,733,470	3,734,458	385,848	721,700	76,768	2,511,813	7,430,587	38,164,057

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ATTACHMENT B

PROPOSED INDEBTEDNESS

Under Article XVI, Section 16 of the California Constitution and Health and Safety Code Section 33670, a redevelopment agency is able to receive tax increment until its debts are paid. The Agency files an annual Statement of Indebtedness with the County Auditor by October 1 of each year to report its indebtedness and thus show its eligibility for the receipt of tax increments. The Agency filed its FY 2007-2008 Statement of Indebtedness with the County Auditor on September 30, 2007. The Agency is estimating the following indebtedness for FY 2008-2009:

	North Tahoe	Sunset	North Auburn	Total
Proposed Indebtedness				
2007-2008 Pass Throughs	1,506,298	511,902	318,128	2,336,328
General Fund Agreements	11,132,856	6,000,000	8,737,978	25,870,834
Agreements with Others	38,852,626	3,019,978	3,595,894	45,468,498
Housing Set Aside Fund	1,202,757	442,530	262,280	1,907,567
Total \$	52,694,537 \$	9,974,410 \$	12,914,280 \$	75,583,227

**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 2008-2009
Budget in the amount of \$38,164,057.

Reso. No. _____

Ord. No. _____

First Reading _____

**The following Resolution was duly passed by the Redevelopment Agency Board
of the County of Placer at a regular meeting held _____,**

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Chair, Agency Board

Clerk of said Board

WHEREAS, pursuant to California Health & Safety Code Section 33606, a Final Budget for Fiscal Year 2008-2009 is submitted to the Redevelopment Agency Board by the Redevelopment Director and is attached as "Final Budget Summary"; and

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

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 \$1,798,444; and

WHEREAS, the public improvements set forth in the Agency 2008-2009 Final Budget are of benefit to the respective Redevelopment Project Areas in and near where such improvements will be constructed; and

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

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

WHEREAS, to the benefit of the Redevelopment Agency, Placer County staff provide valuable program management, planning, and financial management for the Redevelopment Agency in the sum of \$2,036,787; and

WHEREAS, all designated reserves are released for designated projects or re-budgeted due to the termination of projects. The result is an estimated \$13,255,787 remaining in reserves for individual Project Areas and bond funds detailed in the attached Final Budget Summary; and

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 2008-2009 Redevelopment Agency budget year; and

WHEREAS, pursuant to California Health and Safety Code section 333334.2 (g), the use of monies from the Housing Set-aside Fund to fund housing projects outside of any Redevelopment Project Areas 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 2008-2009 Final Budget is hereby adopted.

