

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: REDEVELOPMENT AGENCY BOARD

DATE: June 22, 2010

SUBJECT: Adopt a Resolution Approving the Redevelopment Agency's FY 2011 Annual Budget

Report in Brief

Previous budget adoptions by the City Council and Redevelopment Agency Board have included the City and Redevelopment Agency budgets as a consolidated action. In order to be more consistent with State law, adoption of the Redevelopment Agency budget should be completed as a separate action by the Redevelopment Agency Board. Therefore, staff has prepared a separate budget document for the Redevelopment Agency and a resolution for the Redevelopment Agency Board's consideration.

Staff recommends that the Redevelopment Agency Board adopt Resolution No. _____, approving the Redevelopment Agency's FY 2011 Annual Budget in the amount of \$6,970,440 for carried over Fund Balances and new revenues, including bond funds for \$3,392,963 and approve expenditures as shown in the attachments.

Background

California State Health and Safety Code Section 33606 require that redevelopment agencies adopt an annual budget including the following specific information, including all activities to be funded by the Low and Moderate Income Housing Fund:

- a) The proposed expenditures of the Agency
- b) The proposed indebtedness to be incurred by the Agency
- c) The anticipated revenues of the Agency
- d) The work program for the coming year including goals
- e) An examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year.

The budget for tax increment funds is shown in Attachment I, the budget for the Low and Moderate Income Housing Fund is shown in Attachment II and the bond fund budget is shown in Attachment III.

PAGE: 2 ITEM:

Discussion

The final FY 2011 budget for staff essentially stays the same from the previous year though there is significant shift in personnel. Tax increment will be contributed to fund the City Manager/Executive Director from bond funds and support will continue for 30% of the Deputy Community Development Department Director. These allocations directly support the time spent by the City Manager/Executive Director and Deputy Community Development Director in redevelopment and housing related activities. Last year the redevelopment agency absorbed a Planner from the Community Development Department to save General Fund staff costs.

Goals

The goals for the redevelopment project area included in the 2010-2014 Implementation Plan, which was prepared by the Redevelopment Advisory Committee and approved by the Agency Board in December 2009. The primary focus of the redevelopment investment strategy is to assist the historic downtown core area in transitioning from a general retail location to an entertainment center with restaurants and unique destination retail shops. The three investment strategy goals for the downtown are to:

- Create new entertainment venues and activities
- Increase residential units, and
- Develop currently underutilized or vacant sites, while renovating and preserving existing structures.

Work Program

- 1. The priority project for next year is to focus on the location and construction of a new multi-plex theater for downtown.
- 2. Design the streetscape improvements along Main from 3rd Street to East Street.
- 3. Apply for a California Infrastructure Bank loan for \$3 million for infrastructure to support the court and theater projects.
- 4. Solicit SBA 504 funds and New Market Tax Credits for the theater project.
- 5. Acquire key parcels and solicit developer interest at the 12-acre site along Main Street.
- 6. Expand the redevelopment project area.
- 7. Coordinate with Public Works Department abandonment of Well #1 (at the Woodland Courthouse project site) and construction of a new well at Freeman Park.

Low and Moderate Income Housing Activities

- 1. Strengthen the financial situation for Casa del Sol by applying for a HUD 108 loan to repay the \$1.3 million HELP loan. Also, assist CHOC in completing the HOME application set-up, which will allow it to purchase the 30 new coaches and increase revenue to pay off the HUD 108 loan.
- 2. Facilitate and help finance a new affordable multi-family housing project using HOME funds.
- 3. Solicit developer interest for infill housing projects in the redevelopment project area.

SUBJECT: Approval of Redevelopment Agency FY 2011 E	Budget
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PAGE: 3 ITEM:

4. Facilitate the Northern California Trade Council student-built housing project in Spring Lake.

Accomplishments

Some of the accomplishments over the past year include the following:

- 1. Assisted in selecting the site for the new Woodland Courthouse and managed the acquisition process by negotiating purchase prices, conducting the necessary work for appraisal and environmental services and engineering feasibility analysis.
- 2. Completed Memorandum of Understanding with the state Administrative Office of the Courts (AOC) for reimbursement of Agency costs.
- 3. Negotiated value of City well # 1 site and obtained commitment from the AOC to provide funding for a portion of the costs for constructing a replacement well.
- 4. Coordinated with Public Works for removal of the well and relocation to Freeman Park.
- 5. Worked with the State to include funding for a new traffic signal and related improvements at the intersection of Fifth and Main streets as part of the budget for the New Yolo County Courthouse Project.
- 6. Established a redevelopment advisory committee to assist in preparing the five year 2010-2014 Implementation Plan. Completed the Implementation Plan and received Board approval in December 2009.
- 7. Supported development of a downtown theatre by releasing a Request for Proposals, establishing a Board Selection Sub-Committee and identifying potential sources of funding to augment Agency funds for the project.
- 8. Considered potential sites and costs for possible relocation of businesses affected by the theater project.
- 9. Completed three facades for a total of approximately \$179,063 in grant funds that leveraged approximately \$2.2 million in private funds, including renovation of the Porter Building.
- 10. Successfully applied for a \$915,000 SACOG Community Design grant for Main Street streetscape improvements.
- 11. Attracted a new user Cambridge Community College for the historic Porter Building at College and Main, negotiated the lease and offered other assistance to support the new use.
- 12. Submitted an Urban Greening Project (Proposition 84) grant application for streetscape improvements on Main Street between Third and East streets.

The affordable housing program was also very active. Some of the accomplishments include the following:

PAGE: 4 ITEM:

Casa del Sol

Completed construction on the Casa del Sol mobile home project. The new 15,000 square foot community center is ready for lease. Construction and installation of improvements to infrastructure, including roads, water, and sewer is completed. An additional \$3.6 million in loans were secured and closed escrow in May. Over \$9 million in loans and grants had been received previously. When all the financing is in place, thirty new mobile homes will be purchased and installed on site to complete the 12.8-acre park with a total of 156 mobile home units.

East Street Off-Site Streetscape

Improvements to the east side of East Street between Oak and Gum streets near Casa del Sol are completed. The project includes new curbs, gutters, sidewalks, a new bus turnout, and a bus enclosure. It also includes landscaping, new street lighting, and fencing. The total project cost was about \$560,000.

First Time Homebuyer Program

Organized monthly orientation meetings attended by over 80 families interested in the affordable housing programs.

Coordinated loan closing process with lenders, title companies, NeighborWorks and developer sales teams and committed or expended the entire \$800,000 in HOME funds for First Time Homebuyer funds; closed 18 loans for \$ \$774,675 in HOME funds, \$450,000 in BEGIN funds, \$590,000 in CalHOME funds, and \$120,000 in redevelopment housing set-aside funds.

Housing Monitoring

Monitored the portfolio of 12 apartment buildings for compliance with approved parking reductions, density bonuses and Inclusionary units.

Completed an extensive long-term monitoring of Sycamore Pointe Apartments and Terracina Spring Lake Apartments for the State Department of Housing and Community Department HOME Program.

Monitored over 975 housing units funded under HOME, CDBG, Inclusionary and density bonus projects.

Expenditures

The primary expenditure was for the purchase of the Woodland Courthouse site for \$3,109,000. Almost all of the expenditures required are expected to be reimbursed by the state AOC. There were also continued expenditures of the downtown sewer calibration model. Additional funds were spent on the installation of a new storm drain at the intersection of East and Main to serve new development along Main Street, especially the new Woodland Courthouse.

PAGE: 5 ITEM:

Anticipated Expenditures

Next year, the theater project will be the priority project; however no major expenses are anticipated unless the Agency proceeds with any necessary relocation of businesses affected by the theater project. Most of the work on the theater project for this next year will be staff-intensive and will not require a large expenditure of funds for construction or acquisition. Other than that, there will be expenditures for the facade grant program, including the Porter Building, for \$180,000.

Anticipated Expenditures for Low and Moderate Income Housing

The low and moderate-income housing funds will continue to be used to pay the debt service on the HUD 108 loan for the Casa del Sol project. Some funds from this account may be also be used for homebuyer assistance loans though it is more likely the Agency will use HOME funds or other grant funds received from the state. Some expenditure from this fund may be used for the Northern California Trades Council project.

Fiscal Impact

The Redevelopment Agency's FY 2011 Annual Budget is projected at \$6,970,440 for carried over Fund Balances and new revenues, including bond funds for \$3,392,963. There are sufficient redevelopment funds to work on all the projects mentioned in the Work Plan. In most cases, projects rely on leveraging other sources of funds outside the Redevelopment Agency or are costly only in terms of the staff time required to implement the projects.

Public Contact

Posting of the City Council/Redevelopment Board agenda.

Alternative Courses of Action

- 1. Adopt Resolution No. _____, approving the Redevelopment Agency's FY 2011 Annual Budget in the amount of \$6,970,440 for carried over Fund Balances and new revenues, including bond funds for \$3,392,963 and approve expenditures as shown in the attachments..
- 2. Do not approve the resolution approving the Redevelopment Agency Annual FY 2011 Budget and direct staff to return with changes.

PAGE: 6 ITEM:

Recommendation for Action

Staff recommends that the Agency Board approve Alternative No. 1.

Prepared by: Cynthia Shallit

Redevelopment Manager

Mark G. Deven Executive Director

Attachments: Resolution

Redevelopment Agency Annual Budget FY 10/11

AGENCY F	RESOLUTION NO.	

HEREBY AUTHORIZES THE APPROVAL OF THE REDEVELOPMENT AGENCY ANNUAL BUDGET FOR FY 2011

WHEREAS, pursuant to California Health and Safety Code Section 33606, a Final Budget for Fiscal Year 2010-2011 is submitted to the Redevelopment Agency Board by the Redevelopment Executive Director and is attached to the Council Communication report; 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 521, Housing Set-aside and

WHEREAS, the public improvements set forth in the Agency 2009-2010 Final Budget are of benefit to the Redevelopment Project Area; 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, Woodland staff provide valuable program management, planning, and financial management of the Redevelopment Agency; and

WHEREAS, all designated reserves are released for designated projects or rebudgeted due to the termination of projects. ; 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 2009-2010 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 the Redevelopment Project Area will be of benefit to the Redevelopment Project Area.

NOW THEREFORE BE IT RESOLVED BY THE WOODLAND REDEVELOPMENT AGENCY BOARD THAT

- 1) The Redevelopment Agency Fiscal Year 2010-2011 Annual Budget is hereby adopted.
- 2) The Executive Director is authorized to take all actions necessary to implement the activities described in this report .

HEREBY CERTIFY THAT the foregoing resolution was duly and regularly adopted by the Redevelopment Agency of the City of Woodland, County of Yolo, State of California on the 22 day of June, 2010 by the following vote:

AYES:	
NOES:	
ABSENT:	
ABSTAIN	l:
ATTEST:	Marlin H. (Skip) Davies, President
7111201.	Sue Vannucci, Secretary
	APPROVE AS TO FORM:Agency Counsel
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WOODLAND REDEVELOPMENT AGENCY AGENCY WIDE

10 Year Projected Revenue & Expenditures 2011-2020

		10 Y	ear Projected Re	evenue & Expen	ditures 2011-20.	20				
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
520 - TAX INCREMENT	2010 11	-011 1-	2012 10	2010 11	201110	2010 10	2010 11	2017 10	2010 10	2010 20
BEGINNING FUND BALANCE	1,027,145	846,332	701,115	552,966	598,738	643,070	808,470	958,654	1,091,434	1,202,527
REVENUES:										
Tax Increment	1,107,715	1,129,870	1,152,467	1,175,516	1,199,027	1,223,007	1,247,467	1,272,417	1,297,865	1,323,822
Interest Income	5,136	4,232	3,506	5,530	5,987	6,431	8,085	9,587	10,914	12,025
Other Revenue	28,714	29,288	91,474	150,904	169,922	314,920	321,219	327,643	334,196	340,880
TOTAL REVENUE	1,141,565	1,163,390	1,247,447	1,331,950	1,374,936	1,544,358	1,576,770	1,609,646	1,642,975	1,676,727
EXPENSES:										
PROJECT EXPENSES:										
Tax Increment Contribution to Debt Service	585,203	581,359	579,603	577,003	578,653	581,459	580,587	579,212	579,212	579,212
Estimated State Raid of Funds	141,390	0	0	0	0	0	0	0	0	0
Tax Increment Capital Projects	0	96,000	147,000	0	0	0	0	0	0	0
SUBTOTAL-FIXED EXPENSES	726,593	677,359	726,603	577,003	578,653	581,459	580,587	579,212	579,212	579,212
VARIABLE EXPENSES:										
Personnel	305,189	326,552	349,411	373,870	400,040	428,043	458,006	490,067	524,371	561,077
Operations/Maintenance	198,177	206,369	214,948	223,935	233,350	243,215	253,553	264,388	275,744	287,650
Contingency (13% of Discretionary)	92,418	98,327	104,635	111,370	118,561	126,240	134,441	143,200	152,554	162,546
SUBTOTAL-VARIABLE EXPENSES	595,784	631,248	668,994	709,174	751,952	797,499	846,000	897,654	952,670	1,011,274
TOTAL-ALL EXPENSES	1,322,377	1,308,606	1,395,596	1,286,177	1,330,604	1,378,957	1,426,587	1,476,866	1,531,882	1,590,485
Revenue Over (Under) Expenses	-180,812	-145,217	-148,150	45,773	44,331	165,400	150,183	132,780	111,093	86,242
ENDING FUND BALANCE	846,332	701,115	552,966	598,738	643,070	808,470	958,654	1,091,434	1,202,527	1,288,769
ENDING FORD BRIGHTEE	040,332	701,113	332,300	390,730	043,070	000,470	330,034	1,031,434	1,202,027	1,200,709
Operating Budget	1,180,987	1,212,606	1,248,596	1,286,177	1,330,604	1,378,957	1,426,587	1,476,866	1,531,882	1,590,485
Operating Reserve (50% of Op Budget)	590,494	606,303	624,298	643,088	665,302	689,479	713,294	738,433	765,941	795,243
Annual Projected Surplus (Deficit)	255,838	94,812	-71,332	-44,350	-22,232	118,992	245,360	353,001	436,586	493,526
Annual Flojected Surplus (Delicit)	200,000	34,012	-7 1,332	-44,300	-22,232	110,552	240,300	303,001	430,300	

WOODLAND REDEVELOPMENT AGENCY AGENCY WIDE										
10 Year Projected Revenue & Expenditures 2011-2020										
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
521 - HOUSING SET-ASIDE										
BEGINNING FUND BALANCE	350,344	443,938	529,423	597,575	664,237	677,409	783,383	879,554	964,815	1,037,974
REVENUES:										
Low-Moderate Housing Set-Aside	314,201	320,485	326,895	333,432	340,101	346,903	353,841	360,918	368,136	375,499
Interest Income	1,752	1,603	1,542	2,938	2,777	2,579	3,309	3,941	4,464	4,866
Other Revenue	123,337	97,723	82,723	82,723	32,977	32,977	32,977	32,977	32,977	32,977
TOTAL REVENUE	439,290	419,811	411,159	419,093	375,855	382,459	390,127	397,836	405,577	413,342
EXPENSES: PROJECT EXPENSES:										
HUD Section 108 Loan	122,305	117,625	112,750	107,730	102,595	0	0	0	0	(
SUBTOTAL-FIXED EXPENSES	122,305	117,625	112,750	107,730	102,595	0	0	0	0	
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VARIABLE EXPENSES:										
Personnel	136,854	146,434	156,684	167,652	179,388	191,945	205,381	219,758	235,141	251,600
Operations/Maintenance	86,537	70,267	73,574	77,049	80,701	84,540	88,575	92,818	97,278	101,967
SUBTOTAL-VARIABLE EXPENSES	223,391	216,700	230,258	244,701	260,089	276,485	293,956	312,575	332,418	353,568
TOTAL-ALL EXPENSES	345,696	334,325	343,008	352,431	362,684	276,485	293,956	312,575	332,418	353,568
Revenue Over (Under) Expenses	93,594	85,485	68,152	66,662	13,172	105,974	96,171	85,261	73,159	59,774
ENDING BYIND DAY ANGE	440,000	F00 400	507 575	CC4 007	077.400	700,000	070 554	004.015	1 007 074	1.007.746
ENDING FUND BALANCE	443,938	529,423	597,575	664,237	677,409	783,383	879,554	964,815	1,037,974	1,097,748
O TO TO THE STATE OF THE STATE	400.004	454.050	455.750	400 404	405.070	070 405	000.050	040 575	200 442	050 504
Operating Budget	468,001	451,950	455,758	460,161	465,279	276,485	293,956	312,575	332,418	353,568
Operating Reserve (50% of Op Budget)	234,001	225,975	227,879	230,080	232,639	138,242	146,978	156,288	166,209	176,784
Annual Projected Surplus (Deficit)	209,937	303,448	369,696	434,157	444,769	645,141	732,576	808,528	871,765	920,964

WOODLAND REDEVELOPMENT AGENCY AGENCY WIDE 10 Year Projected Revenue & Expenditures 2011-2020

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	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	0010.00
821 - RDA BOND	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
BEGINNING FUND BALANCE	3,392,963	4,501,263	4,416,275	1,230,438	992,742	1,002,670	1,012,697	1,022,823	1,033,052	1,043,382
BEGINNING FOND BRIZINGE	0,002,000	4,501,205	4,410,275	1,200,400	332,142	1,002,070	1,012,037	1,022,020	1,000,002	1,040,002
REVENUES:										
Interest Income	33,930	45,013	44,163	12,304	9,927	10,027	10,127	10,228	10,331	10,434
Other Revenue	585,203	581,359	579,603	579,603	578,653	581,459	580,587	579,212	579,212	579,212
TOTAL REVENUE	619,133	626,372	623,766	591,907	588,580	591,485	590,714	589,440	589,542	589,646
EXPENSES:										
PROJECT EXPENSES:										
Bond Debt Service	585,203	581,359	579,603	579,603	578,653	581,459	580,587	579,212	579,212	579,212
Courts/Garage (reimbursed)	-2,734,370	0	0	0	0	0	0	0	0	0
Well #1	250,000	0	0	0	0	0	0	0	0	0
Theater Construction	0	0	3,000,000	0	0	0	0	0	0	0
Theater Site Preperation	1,000,000	0	0	0	0	0	0	0	0	0
Downtown Façade Program	180,000	150,000	100,000	0	0	0	0	0	0	0
SACOG Main St. Design	0	0	0	150,000	0	0	0	0	0	0
Pre-Engineering	30,000	30,000	30,000	0	0	0	0	0	0	0
Storm Drain (EDI grant)	100,000	-150,000	0	0	0	0	0	0	0	0
SUBTOTAL-FIXED EXPENSES	-589,167	611,359	3,709,603	729,603	578,653	581,459	580,587	579,212	579,212	579,212
VARIABLE EXPENSES:										
Personnel	100,000	100,000	100,000	100,000	0	0	0	0	0	0
Operations/Maintenance	0	0	0	0	0	0	0	0	0	0
SUBTOTAL-VARIABLE EXPENSES	100,000	100,000	100,000	100,000	0	0	0	0	0	0
TOTAL-ALL EXPENSES	-489,167	711,359	3,809,603	829,603	578,653	581,459	580,587	579,212	579,212	579,212
Revenue Over (Under) Expenses	1,108,300	-84,987	-3,185,837	-237,696	9,927	10,027	10,127	10,228	10,331	10,434
ENDING FUND BALANCE	4,501,263	4,416,275	1,230,438	992,742	1,002,670	1,012,697	1,022,823	1,033,052	1,043,382	1,053,816