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SUBMITTAL TO THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Redevelopment Agency

SUBMITTAL DATE:
December 7, 2006

SUBJECT: Agency Annual Reports and Determination

RECOMMENDED MOTION: That the Board of Directors:

1. Adopt the Annual Budget Report for Fiscal Year 2006-07, attached hereto as Attachment "A";
2. Receive and file the Component Unit Financial Audit Report for Fiscal Year 2005-06, attached hereto as Attachment "B";
3. Receive and file the housing report prepared in accordance with Sections 33080.4 and 33080.7 of the California Redevelopment Law, attached hereto as Attachment "C";
4. Receive and file the State Controller's Report, attached hereto as Attachment "D"; and,
5. Adopt the attached Resolution RDA No. 2006-51 determining that the use of redevelopment housing set-aside funds for planning and administrative expenses is necessary and not disproportionate to the amount proposed for actual housing activities.

BACKGROUND: On next page

FORM APPROVED
COUNTY COUNSEL

DEC 08 2006

Environmental Concurrence

Robin Zimpfer
Robin Zimpfer
Executive Director

RZ:DL:TE:RD:MN

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FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2006-07

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: Yes

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE**

County Executive Office Signature

Jennifer Bryant

- Policy
 - Policy
 - Consent
 - Consent
- Dep't Recomm.:
Per Exec. Ofc.:

NOV 28 10 35 AM '06

Prev. Agn. Ref.: NA **District:** All **Agenda Number:**

BACKGROUND:

Each year the Redevelopment Agency is required to do a set of annual reports. First, while the Board of Supervisors adopted the Agency's budget earlier this year as part of the County's budget, Section 33606 of the California Community Redevelopment Law (the "CRL") requires that the Agency also adopt an annual budget that contains the Agency's proposed expenditures and indebtedness, anticipated revenues, a work program and an examination of achievements for the prior fiscal year. The attached budget report contains all of the information specified in the CRL and is consistent with the budget previously adopted by the Board of Supervisors. Staff recommends that the Board approve the attached Annual Budget Report for Fiscal Year 2006-07.

Second, Section 33080.1 of the CRL requires the Agency to annually present to the Board of Directors an independent audit financial report for the previous fiscal year. It is recommended that the Board receive and file the attached audit report from Teaman, Ramirez, and Smith, Inc., which includes the independent financial audit, an opinion on the financial statements, and the Agency's financial position. The report also contains tests of the Agency's compliance with certain provisions of laws, regulations, contracts, and grants that could have a direct and material effect on the determination of financial statement amounts. The results of the tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards.

Third, the Agency is required to submit to the State Housing and Community (HCD) an annual housing report, in accordance with Sections 33080.4 and 33080.7 of the CRL, prior to the end of the calendar year. Upon Board acceptance, the Agency will forward the Audit and Housing Report to HCD in accordance with the CRL.

Fourth, the Agency is required to submit to the State Controller's Office an annual report on all financial activities in redevelopment project areas, prior to the end of the calendar year. Staff recommends that the Board direct Agency staff to forward the report to the State Controller's Office with the authorization to amend the report prior to submission if needed.

Finally, pursuant to Section 33334.3(d) of the California Community Redevelopment Law, the Agency is required to annually determine that the use of redevelopment housing set-aside funds for planning and administrative expenses is necessary for the production, improvement or preservation of low- and moderate-income housing. The Agency's efforts to meet the needs of low- and moderate-income residents requires extensive planning and program development efforts, and include numerous reporting requirements. In addition, public outreach is important to develop and implement programs to meet the needs of these residents. Therefore, it is necessary to utilize housing funds for staff and administrative costs associated with implementation of the programs and projects. For FY 06-07, administrative costs are 5.7% of the funds available for the programs.

Without this determination, the Agency will be unable to utilize housing set-aside funds for the planning and administrative expenses required to implement the Agency's housing programs.

It is recommended that the Board accept the above documents, after which they will be submitted to the State Controller's Office and California Department of Housing and Community Development

1 rehabilitation loans and grants, and increasing the supply of housing by
2 assisting in the construction of new housing that is affordable to persons of
3 low- and moderate-income; and,

4 V. Whereas, the Agency's efforts to meet the needs of low- and moderate-
5 income residents require extensive planning and program development
6 efforts and include numerous reporting requirements. In addition, public
7 outreach is important to develop and implement programs to meet the
8 needs of these residents; and,

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10 VI. WHEREAS, the Agency receives approximately ten million dollars
11 (\$10,000,000) annually in housing set aside funds; and,

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13 VII. WHEREAS, the Agency has issued approximately seventy million dollars
14 (\$70,000,000) in housing tax allocation bonds to fund low- and moderate-
15 income housing programs and projects; and,

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17 VIII. WHEREAS, the Agency has budgeted approximately four million three
18 hundred seventy thousand dollars (\$4,370,000) to fund planning and
19 administrative costs to implement the housing programs and projects; and,

20 IX. WHEREAS, the planning and administrative costs are five point seven
21 percent 5.7% of the amount available to fund low- and moderate-income
22 housing programs and projects.

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24 NOW, THEREFORE, BE IT RESOLVED, FOUND AND DETERMINED by the
25 Board of Directors of the Redevelopment Agency for the County of Riverside in
26 regular session assembled on December 19, 2006 as follows:
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1 That proposed planning and administrative costs are necessary and are not
2 disproportionate to the amount proposed for housing assistance activities during
3 fiscal year 2006-2007.

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FORM APPROVED
COUNTY COUNSEL

DEC 08 2006


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