

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

326 C



FROM: Redevelopment Agency

SUBMITTAL DATE:
December 3, 2009

SUBJECT: Agency Annual Reports and Determination

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the Annual Budget Report for Fiscal Year 2009-2010, attached hereto as Attachment "A";
2. Receive and file the Component Unit Financial Audit Report for Fiscal Year 2008-2009, 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

(Continued)

Robert Field

Robert Field
Executive Director

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:	2009-2010

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

Jennifer V. Sargent

BY Jennifer V. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: MICHELLE CLACK
DATE: 12/3/09
Departmental Concurrence

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

Prev. Agn. Ref.: 12/1/08; 4.1

District: All

Agenda Number:

4.1

5. Adopt Resolution RDA No. 2009-039 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:

Each year the Redevelopment Agency is required to prepare several annual reports on the Agency's accomplishments and plans. 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 submit an annual budget to the Board of Supervisors that contains the Agency's proposed expenditures, indebtedness, 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. Agency investments over the past fiscal year include expenditures of approximately \$54,174,400 on capital facilities; \$13,847,100 on infrastructure projects; \$269,900 on planning for developments; \$325,390 on Owner Participation Agreements; \$1,395,200 on the Façade Improvement Program; \$389,280 on the Graffiti Abatement Program; and \$300,000 on the Demolition Grant Program. Staff recommends that the Board approve the attached Annual Budget Report for Fiscal Year 2009-2010.

Second, Section 33080.1 of the CRL requires the Agency to annually present to the Board of Directors an independent audited financial report for the previous fiscal year. It is recommended that the Board receive and file the attached audited financial statements 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 Department (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. Housing expenditures and/or commitment of Redevelopment funds over the past fiscal year include \$572,900 on homeownership programs; \$2,005,300 on rehabilitation housing projects, \$1,034,000 on mobile home housing projects; \$1,866,700 on infill housing; \$5,838,700 on new construction of single family housing; \$34,816,800 on new construction of multi-family housing; and \$16,998,600 on new construction of mobile home housing projects.

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.

(continued)

BACKGROUND:

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.

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.

BOARD OF DIRECTORS

REDEVELOPMENT AGENCY

RESOLUTION No. RDA 2009-039

REGARDING THE USE OF AGENCY LOW- AND MODERATE-INCOME HOUSING FUNDS FOR PLANNING AND ADMINISTRATIVE COSTS

RECITALS

- I. **WHEREAS**, the Redevelopment Agency for the County of Riverside (Agency) is a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the Community Redevelopment Law which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq); and,
- II. **WHEREAS**, pursuant to the provisions of the Community Redevelopment Law, Section 33334.2 of the Health and Safety Code, Agency is obligated to use not less than twenty percent (20%) of tax increment to increase, improve and preserve the community's supply of low- and moderate-income housing; and,
- III. **WHEREAS**, over 56,000 low- and moderate-income households reside within the unincorporated areas of Riverside County, and extensive neighborhood upgrades are necessary to improve the quality of life and eliminate health and safety threats that affect these residents; and,
- IV. **WHEREAS**, the Agency is actively involved in improving housing for low- and moderate-income residents of the unincorporated county by providing rehabilitation loans and grants, and increasing the supply of housing by assisting in the construction of new housing that is affordable to persons of low- and moderate-income; and,

FORM APPROVED COUNTY COUNSEL
 BY: MICHELLE CLACK
 DATE: 12/3/09

- 1 V. **WHEREAS**, the Agency's efforts to meet the needs of low- and moderate-
2 income residents require extensive planning and program development
3 efforts and include numerous reporting requirements. In addition, public
4 outreach is important to develop and implement programs to meet the
5 needs of these residents; and,
- 6 VI. **WHEREAS**, the Agency receives approximately twenty million eighty-eight
7 thousand one hundred ninety-two dollars (\$20,088,192) annually in housing
8 set-aside funds; and,
- 9 VII. **WHEREAS**, the Agency has budgeted approximately two million eight
10 hundred thirteen thousand three hundred fifty-five dollars (\$2,813,355) to
11 fund planning and administrative costs to implement the housing programs
12 and projects; and,
- 13 VIII. **WHEREAS**, the planning and administrative costs are approximately
14 fourteen percent (14%) of the amount available to fund low- and moderate-
15 income housing programs and projects.

16 **NOW, THEREFORE, BE IT RESOLVED, FOUND AND DETERMINED** by the
17 Board of Directors of the Redevelopment Agency for the County of Riverside in
18 regular session assembled on December 15, 2009 as follows:

19 That proposed planning and administrative costs are necessary and are not
20 disproportionate to the amount proposed for housing assistance activities during
21 Fiscal Year 2008-2009.