

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

844C



FROM: Redevelopment Agency

SUBMITTAL DATE:
November 23, 2010

SUBJECT: Agency Annual Reports and Determination

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the Annual Budget Report for Fiscal Year 2010-2011, attached hereto as Attachment "A";
2. Receive and file the Component Unit Financial Audit Report for Fiscal Year 2009-2010 attached hereto as Attachment "B";
3. Receive and file the Annual Report of Housing Activity prepared for the California Department of Housing and Community Development (HCD) in accordance with Sections 33080.4 and 33080.7 of the California Redevelopment Law, attached hereto as Attachment "C";

(Continued)

Lisa Brandl

Robert Field
Executive Director
By Lisa Brandl, Deputy 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:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

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 Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY

On motion of Supervisor Benoit, seconded by Supervisor Stone duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Stone, Benoit and Ashley
Nays: None
Absent: Buster and Tavaglione
Date: December 7, 2010
xc: RDA, EDA

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

(Comp. Item 3.8)

Prev. Agn. Ref.: 12/15/2009; 4.1

District: ALL

Agenda Number:

4.5

FORM APPROVED COUNTY COUNSEL
DATE 11-22-10
BY: ANITA C. WILLIS
Departmental Concurrence

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

RECOMMENDED MOTION: (Continued)

4. Receive and file the State Controller's Report, attached hereto as Attachment "D"; and
5. Adopt Resolution RDA No. 2010-070 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 reports that discuss the Agency's annual 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 for redevelopment activity over the past fiscal year include expenditures of approximately \$50,132,800 for public facilities; \$27,489,500 for parks and trails projects, \$15,506,700 for infrastructure projects; \$221,600 for planning; \$2,202,700 for business incentive activities, of which approximately \$952,300 was expended for economic development assistance and \$849,900 for the Façade Improvement Program; and \$1,039,400 for blight elimination activities, of which approximately \$383,000 was expended for the Graffiti Abatement Program. Staff recommends that the Board approve the attached Annual Budget Report for Fiscal Year 2010-2011.

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 California Department of Housing and Community Development an annual housing activity 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 Annual Report of Housing Activity to HCD in accordance with the CRL. Housing expenditures and commitment of Redevelopment funds reported over the past fiscal year include \$315,700 for the Redevelopment Homeownership Program; \$1,893,800 for rehabilitation housing programs, \$1,293,300 for the Mobile Home Housing Program; \$2,746,700 for infill housing projects; \$9,722,700 for new construction of single family housing; and \$63,984,500 for new construction of multi-family and special needs 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.

BACKGROUND: (Continued)

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.

Staff recommends that the Board adopt Resolution No. RDA 2010-070 and accept the above documents, after which they will be submitted to the State Controller's Office and California Department of Housing and Community Development.

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BOARD OF DIRECTORS
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE

RESOLUTION No. RDA 2010-070
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: *[Signature]* 1/22/10
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V. **WHEREAS**, the Agency's efforts to meet the needs of low- and moderate-income residents require 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; and,

VI. **WHEREAS**, the Agency receives approximately nineteen million, eight hundred sixty-five thousand, six hundred and ninety-six dollars (\$19,865,696) annually in housing set-aside funds; and,

VII. **WHEREAS**, the Agency has issued approximately sixty-six million, seven hundred and forty-five thousand dollars (\$66,745,000) in housing tax allocation bonds to fund low- and moderate income housing programs and projects; and,

VIII. **WHEREAS**, the Agency has budgeted approximately three million, two hundred twenty-eight thousand and seventy-six dollars (\$3,228,076) to fund planning and administrative costs to implement the housing programs and projects; and,

IX. **WHEREAS**, the planning and administrative costs are approximately sixteen percent (16%) of the amount available to fund low- and moderate-income housing programs and projects.

NOW, THEREFORE, BE IT RESOLVED, FOUND AND DETERMINED by the Board of Directors of the Redevelopment Agency for the County of Riverside in regular session assembled on December 7, 2010 as follows:

That planning and administrative costs are necessary and are not disproportionate to the amount proposed for housing assistance activities during Fiscal Year 2009-2010.

ROLL CALL:

- Ayes: Stone, Benoit and Ashley
- Nays: None
- Absent: Buster & Tavaglione

The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.
KECIA HARPER-IHEM Clerk of said Board
By _____ Deputy