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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 1, 2011

SUBJECT: Agency Annual Reports and RDA Resolution No. 2011-041, Regarding the Use of Agency Low- and Moderate-Income Housing Funds for Planning and Administrative Costs

RECOMMENDED MOTION: That the Board of Directors:

1. Adopt RDA Resolution No. 2011-041, Regarding the Use of Agency Low- and Moderate-Income Housing Funds for Planning and Administrative Costs;
2. Approve the Annual Budget Report for Fiscal Year 2011-2012, attached hereto as Attachment "A";
3. Receive and file the Component Unit Financial Audit Report for Fiscal Year 2010-2011 attached hereto as Attachment "B";
4. Receive and file the Fiscal Statement for Fiscal Year 2010-2011, attached hereto as Attachment "C";

(Continued)

Robert Field
Executive Director

FORM APPROVED COUNTY COUNSEL
BY: ANITA C. WILLIS 11-21-11 DATE

Departmental Concurrence

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:	2011/12

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: Yes

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

Dep't Recomm.: ☐ Consent ☒ Policy

Per Exec. Ofc.: ☐ Consent ☑ Policy

MINUTES OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY

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

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: December 13, 2011
xc: RDA, EDA

Kecia Harper-Ihem
Clerk of the Board
By: Deputy

(Comp. Item 3.15)

Prev. Agn. Ref.: 12/7/2010; 4.5 | **District:** All | **Agenda Number:** 4.2

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

RDA-001a-F11
Form 11 (Rev 06/2003)

RECOMMENDED MOTION: (Continued)

5. 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 "D";

6. Receive and file the State Controller's Report, attached hereto as Attachment "E"; and

7. Receive and file the Statement of Indebtedness, attached hereto as Attachment "F";

BACKGROUND:

Each year the Redevelopment Agency is required to prepare several reports that discuss the Agency's annual accomplishments and plans. While the Board of Supervisors adopted the agency's budget earlier this year as part of the county's budget, Section 33360.6 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, progress toward blight elimination, and an examination of achievements for the prior year. During this fiscal year, there have been changes in redevelopment that warrant a detailed description of State activities with regard to redevelopment legislation.

<u>Proposed Changes in Redevelopment Law</u>

While the reporting requirements for redevelopment agencies are the same as in prior years, it is important to note that the statewide redevelopment environment has experienced extreme volatility since January 2011. On January 10, 2011, Governor Brown, as part of the statewide budget process, proposed the elimination of redevelopment agencies throughout California, to be effective for Fiscal Year 2011-2012. The Governor's budget proposal stated that, while existing projects would not be affected, the $1.7 billion that would have gone to redevelopment agencies would be shifted to the State General Fund to backfill the 2011-2012 budget. Future year redevelopment tax increment would be slated for school districts, special districts and other local services.

Subsequently, on June 29, 2011, Governor Brown signed two State of California Assembly Bills, ABX1 26 and ABX1 27. The purpose of ABX1 26 was the dissolution of redevelopment agencies throughout the State of California, to be effective on October 1, 2011. ABX1 27 is a companion bill to AB1X 26 that created an alternative voluntary redevelopment program that would allow agencies to continue redevelopment activity by voluntarily authorizing, via ordinance, the contribution of tax increment to county auditor-controller offices for deposit into a Special District Allocation Fund (SDAF) and an Educational Revenue Augmentation Fund (ERAF).

On July 12, 2011, the Board of Supervisors adopted Resolution No. 2011-211, a nonbinding resolution of the County of Riverside Indicating the Intent to Enact an Ordinance for Participation in the Alternative Voluntary Redevelopment Program, as authorized under ABX1 27. In addition, the Board of Supervisors directed the Economic Development Agency (EDA) to prepare and process an ordinance that would accept the requirements of the Alternative Voluntary Redevelopment Program, and commit to annual payments to the Riverside County Auditor-Controller (ACO) for fiscal years 2011/12, 2012/13 and annually thereafter.

(Continued)

On July 12, 2011, the Board of Supervisors adopted Resolution No. 2011-211, a nonbinding resolution of the County of Riverside Indicating the Intent to Enact an Ordinance for Participation in the Alternative Voluntary Redevelopment Program, as authorized under ABX1 27. In addition, the Board of Supervisors directed the Economic Development Agency (EDA) to prepare and process an ordinance that would accept the requirements of the Alternative Voluntary Redevelopment Program, and commit to annual payments to the Riverside County Auditor-Controller (ACO) for fiscal years 2011/12, 2012/13 and annually thereafter.

Ordinance 912 was prepared in order to authorize the participation of the County of Riverside in the Alternative Voluntary Redevelopment Program, pursuant to ABX1 27, and was adopted by the Board of Supervisors on July 26, 2011, as an urgency measure. Ordinance No. 912 was deemed effective immediately upon adoption.

With the Board of Supervisors adoption of Ordinance No. 912, the freeze on new agency transactions imposed by ABX1 26 was lifted and the agency was authorized to recommence business. In the meantime, on July 18, 2011, the California Redevelopment Association (CRA) and the League of California Cities (League) filed a petition which requested that the California Supreme Court (Court) overturn ABX1 26 and ABX1 27 on the grounds that they violate the California Constitution (*California Redevelopment Association v. Matosantos [Case]).* The central claim for the challenge is that the bills violate Proposition 22, the constitutional amendment passed in November 2011, which explicitly prohibits the "seizing, diverting, shifting, borrowing, transferring , suspending, or otherwise taking or interfering with" revenue dedicated to local government, including local redevelopment funds. At the same time the petition was filed, the CRA and the League requested that the Court issue a stay to prevent the legislation from going into effect until the lawsuit is decided.

On August 11, 2011, the Court agreed to hear the Case, and also issued an order granting a stay of the provisions of ABX1 26 and ABX1 27, except for most of the provisions of Part 1.8 of Division 24 of the Health and Safety Code that were enacted in ABX1 26. Subsequently, on August 17, 2011, the Court issued a revised order that did not stay any of the provisions of Part 1.8 and further removed the stay of paragraph (2) of subdivision (b) Section 34194 of the Health and Safety Code as enacted in ABX1 27. One of the requirements of the August 17, 2011 revised order required all redevelopment agencies to adopt an Enforcement Obligation Payment Schedule (EOPS) by August 29, 2011, regardless of any action taken to participate in the Alternative Voluntary Redevelopment Program.

On August 25, 2011, the Deputy Executive Director of the agency acted as the designee for the Executive Director of the agency, and adopted the EOPS per the guidance provided by the California Redevelopment Association and the California League of Cities on August 23, 2011. The EOPS was subsequently e-mailed to the State of California Department of Finance, hand-carried to the Riverside County Auditor-Controller's Office, and sent via overnight carrier to the State Controller's Office, thus meeting the August 29, 2011 deadline set forth by the Court.

On September 13, 2011, the Riverside County Board of Supervisors and the Board of Directors for the Redevelopment Agency for the County of Riverside adopted the Enforceable Obligation Payment Schedule, and authorized transmittal of the EOPS and the minute order to the State of California Department of Finance, the Riverside County Auditor-Controller's Office, and the State Controller's Office pursuant to ABX1 26 and the August 17, 2011 revised order enacted by the California Supreme Court. In addition, as directed by the Court, EDA staff posted the EOPS on the agency website.

(Continued)

Annual Reporting Requirements and Submittals

California Health and Safety Code (HSC) section 33080 details redevelopment agency annual reporting requirements. The following table shows the specific HSC section for each requirement, as well as the corresponding attachment as prepared by the Redevelopment Agency for the County of Riverside.

Document	**HSC Section**	**Attachment**
Annual Budget Report (Report on Agency Activities)	33080.1 (b-h) 33080.4 33080.7	A
Independent Financial and Compliance Audit	33080.1 (a)	B
Fiscal Statement	33080.5	C
Report of Annual Housing Activity (HCD Report)	33080.1 (c) 33080.4 33080.7	D
Financial Transactions Report (State Controller Report)	33080.3	E
Statement of Indebtedness	33675	F

Annual Budget Report

The Annual Budget Report (Attachment "A") contains all of the information required in the HSC sections noted above, including, but not limited to; description of progress in alleviating blight, description of housing activities, list of agency owned property, redevelopment plan limits for all project areas, and other information. The report 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 2011-2012.

Independent Financial and Compliance Audit

HSC section 33080.1 requires the agency to annually present to the Board of Directors an independent audited financial report for the previous fiscal year. Staff recommends that the Board receive and file the attached audited financial statement from Teaman, Ramirez, and Smith, Inc. (Attachment "B"), which includes the independent financial audit, an opinion of 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.

Fiscal Statement

Section 33080.5 mandates the inclusion of a fiscal statement as part of the Agency Annual Reports. The fiscal statement has been prepared for Fiscal Year 2010-2011 (Attachment "C") that contains information on the amount of indebtedness, the amount of tax increment revenues received by the agency, the amount of tax increment revenue paid to any taxing entities (including specified information about payments made to school districts and community college districts), and other information.

(Continued)

Fiscal Statement

Section 33080.5 mandates the inclusion of a fiscal statement as part of the Agency Annual Reports. The fiscal statement has been prepared for Fiscal Year 2010-2011 (Attachment "C") that contains information on the amount of indebtedness, the amount of tax increment revenues received by the agency, the amount of tax increment revenue paid to any taxing entities (including specified information about payments made to school districts and community college districts), and other information.

Report of Annual Housing Activity (HCD Report)

The agency is also required to submit an annual housing activity report, prior to December 31 of each year, to the California Department of Housing and Community Development, in accordance with HSC sections 33080.1, 33080.4 and 33080.7. Annual housing expenditures and commitment of redevelopment funds for fiscal year 2010-2011, totaled approximately $6,727,530 as shown in Attachment "D". These expenditures include investments in the Redevelopment Homeownership Program; rehabilitation housing programs; Mobile Home Housing Program; infill housing projects; new construction of single family housing; and new construction of multi-family and special needs housing projects.

State Controller's Report

An annual report on all financial activities in redevelopment project areas is required to be submitted to the State Controller's Office prior to December 31. This report is found as Attachment "E". 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 necessary.

Statement of Indebtedness

The purpose of the Statement of Indebtedness (SOI) is to provide a mechanism for an agency to receive its annual tax increment revenues from the county auditor. HSC section 33675 requires agencies to complete an SOI and submit to the county auditor by October 1 of each year. The SOI must be certified by the agency's chief fiscal officer. The SOI was submitted to the Riverside County Auditor-Controller's Office before October 1, 2011. The SOI is included with the Agency Annual Reports as Attachment "F", in order to include the indebtedness information in the annual report, and provide a complete picture of redevelopment debt for the prior and upcoming fiscal years.

Annual Determination of Planning and Administrative Expenses

Finally, pursuant to Section 33334.3(d) of the Health and Safety Code, 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.

(Continued)

Recommendation

Staff recommends that the Board adopt RDA Resolution No. 2011-041, Regarding the Use of Agency Low- and Moderate-Income Housing Funds for Planning and Administrative Costs, to approve the Annual Budget Report 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.

BOARD OF DIRECTORS **REDEVELOPMENT AGENCY**

RDA RESOLUTION No. 2011- 041

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

RECITALS

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);

WHEREAS, pursuant to the provisions of the Community Redevelopment Law, Section 33334.2 of the Health and Safety Code, the 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;

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;

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;

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;

WHEREAS, the Agency receives approximately seventeen million, eight hundred and fifty-six thousand, seven hundred and fifty-two dollars ($17,856,752) annually in housing set-aside funds;

WHEREAS, the Agency has issued approximately twenty-eight million, one hundred and eighty-eight thousand dollars ($28,188,000) in housing tax allocation bonds to fund low- and moderate income housing programs and projects;

WHEREAS, the Agency has budgeted approximately three million, two hundred fifty-one thousand, two hundred and fourteen dollars ($3,251,214) to fund planning and administrative costs to implement the housing programs and projects; and

WHEREAS, the planning and administrative costs are approximately eighteen percent (18%) 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 13, 2011 as follows:

That planning and administrative costs are necessary and are not disproportionate to the amount proposed for housing assistance activities during Fiscal Year 2010-2011.

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ROLL CALL:

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

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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.

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KECIA HARPER-IHEM, Clerk of said Board

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By: ______________________
Deputy

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FORM APPROVED COUNTY COUNSEL
BY: ANITA C. WILLIS 11/30/11 DATE

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Redevelopment Agency for the County of Riverside
Annual Reports

Attachment A: Budget Report
For Fiscal Year 2011-2012

Attachment B: Financial Audit
For Fiscal Year 2010-2011

Attachment C: Fiscal Statement
For Fiscal Year 2010-2011

Attachment D: HCD Report
For Fiscal Year 2010-2011

Attachment E: State Controller's Office Report
For Fiscal Year 2010-2011

Attachment F: Statement of Indebtedness
For Fiscal Year 2010-2011

COUNTY OF RIVERSIDE
EDA
ECONOMIC DEVELOPMENT AGENCY

12/13/2011 4.2

ATTACHMENT A: ANNUAL BUDGET REPORT

ATTACHMENT B: FINANCIAL AUDIT

ATTACHMENT C: FISCAL STATEMENT

ATTACHMENT D: HCD REPORT

ATTACHMENT E: SCO REPORT

ATTACHMENT F: STATEMENT OF INDEBTEDNESS

COUNTY OF RIVERSIDE
EDA
ECONOMIC DEVELOPMENT AGENCY

Redevelopment Agency for the County of Riverside

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I. INTRODUCTION

The Annual Budget of the Redevelopment Agency for the County of Riverside (the "Agency") for fiscal year 2011-2012 was prepared by the Agency in accordance with Section 33606 of the California Community Redevelopment Law (Health and Safety Code Section 33300 *et seq.*; hereinafter the "CRL"), and is one component of the Agency Annual Reports. The CRL requires redevelopment agencies to adopt an annual budget that contains projected expenditures, indebtedness and revenues of the Agency, as well as goals and the work program for next fiscal year. In addition, Section 33080 *et seq.* details the specific contents of the Agency's annual report, which is to be submitted to the Agency's legislative body within six months of the end of the Agency's fiscal year. Pursuant to Section 33080.1(c) – (g), this report includes the following information:

- A description of the Agency's activities in the previous fiscal year that affect housing and displacement;
- A description of the Agency's progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year;
- The approximate number of jobs created in the previous fiscal year as a result of Agency activities;
- A status report on all loans made by the Agency that are fifty thousand dollars ($50,000 or more that were in default or non-compliant in the previous fiscal year; and
- A description of the total number and nature of the properties that the Agency owns and those properties that the Agency acquired during the previous fiscal year.

In addition to the above referenced sections to be contained in the Annual Budget Report, Section 33080.1(a) and (b) additionally require the following component reports as a part of the Agency Annual Reports:

- An independent financial audit report for the previous fiscal year; and
- A fiscal statement for the previous fiscal year.

The following is a brief summary of the required information regarding the Agency's expenditures, indebtedness, revenues, work program and accomplishments. This summary is not intended to be a comprehensive description of all activities financed by the Agency.

<u>The Redevelopment Agency for the County of Riverside</u>

The Agency was established in 1985 to achieve the following goals: 1) alleviate conditions of blight in identified communities throughout the County, 2) address the growing needs and services to residents within established redevelopment project areas, and 3) ensure the growth of the County's economic base through the provision of new public improvements, commercial and industrial developments and affordable housing. While the Agency is a separate, legal entity, the Board of Supervisors of Riverside County, acting as the Board of Directors for the Redevelopment Agency, serves as the legislative body of the Agency.

Since 1985, the Riverside County Board of Supervisors has adopted five redevelopment project areas that encompass approximately 82,334 acres. Exhibit A shows details of the five project areas, including acreage, sub-area composition, redevelopment time limits, and other relevant information. Agency's activities include the management of housing programs, business incentive programs, planning and development of projects, management of capital improvement projects, real property activities, and general administration duties. General administration duties include activities such as accounting, coordinating budget and reporting requirements, and maintaining the Agency's official records.

Proposed Changes in California Redevelopment Legislation

While the reporting requirements for redevelopment agencies are the same as in prior years, it is important to note that the statewide redevelopment environment has experienced extreme volatility since January 2011. On January 10, 2011, Governor Brown proposed the elimination of all redevelopment agencies (RDAs) throughout the State of California as a component of his budget proposal. Subsequently, on June 29, 2011, the Governor signed Assembly Bills 26 and 27 (ABx1 26 and ABx1 27). ABx1 26 dissolves RDAs throughout the State effective [originally] October 1, 2011; ABx1 27 creates an alternative voluntary redevelopment program (VARP) that allows agencies to continue redevelopment activity by voluntarily authorizing the contribution of tax increment to county auditor-controller offices for deposit into an Educational Revenue Augmentation Fund (ERAF) and Special District Allocation Fund (SDAF).

On July 12, 2011, the Riverside County Board of Supervisors (Board) adopted Resolution No. 2011-211, a nonbinding resolution of the County of Riverside indicating the intent to enact an ordinance for participation in the alternative voluntary redevelopment program and commit to annual payments to the county auditor controller for fiscal years 2011-12, 2012-13, and annually thereafter, pursuant to ABx1 27. As a result, Ordinance No. 912, an urgency ordinance of the county authorizing participation in the alternative voluntary redevelopment program, was adopted by the Board on July 26, 2011 and became effective immediately upon adoption. Adoption of Ordinance 912 lifted the hiatus on Agency transactions imposed by ABx1 26 and allowed the Agency to reconvene its normal redevelopment activity.

On July 29, 2011, the Department of Finance issued the initial payment calculations for each RDA for FY 11/12. The Redevelopment Agency for the County of Riverside's initial voluntary contribution for FY 11/12 was determined to be $31,498,284; where the first installment would be due on January 15, 2012 and the second installment due on May 15, 2012.

Concurrently, on July 18, 2011 the California Redevelopment Association (CRA) and the League of California Cities (League) petitioned the California Supreme Court (Court) for a writ of mandate [challenging the constitutionality ABx1 26 and ABx1 27] and a request for a temporary stay of both bills pending resolution of said petition (*CRA v. Matosantos*). On August 11, 2011, the Court agreed to hear the Case and issued a partial stay of the provisions of ABx1 26 and ABx1 27, except for Division 24, Part 1.8 of the Health and Safety Code, Sections 34161-34167. Sequentially, on August 17, 2011, the Court issued a revised order granting partial stay to the provisions of ABx1 26, except for Division 24, Part 1.8 of the Health and Safety Code, Sections 34161-34169.5, where a stay was denied. The Court also provided partial stay on the provisions of ABx1 27, denying the request for stay of Health and Safety Code Section 34194, subdivision (b) (2).

The revised Court order required for all redevelopment agencies to adopt an Enforceable Obligation Payment Schedule (EOPS) and submit it to the State of California Department of Finance (DOF), the State Controller's Office (SCO), and the Riverside County Auditor Controller's Office (ACO) by August 29, 2011. The revised order also required for all redevelopment agencies to prepare a preliminary draft of the initial Recognized Obligation Payment Schedule (ROPS) for the Successor Agency [if one was created] by September 30, 2011, and provide notification to the DOF that the preliminary draft ROPS had been created. The EOPS and preliminary draft ROPS were required from all Agencies regardless of any action taken to participate in the Alternative Voluntary Redevelopment Program.

As a result, on August 25, 2011, the Deputy Executive Director of the Redevelopment Agency for the County of Riverside acted as the designee for the Executive Director of the Agency, and adopted the EOPS per guidance provided by CRA on August 23, 2011. The EOPS was subsequently e-mailed to the DOF, sent via overnight carrier to the SCO, and hand-delivered to the ACO, thus meeting the August 29, 2011 deadline. Later, on September 13, 2011 (the first available meeting date for the Agency's Legislative Body) the Board of Supervisors of the County of Riverside adopted the Enforceable Obligation Payment Schedule prepared by the Agency. On September 29, 2011, the Agency prepared the preliminary draft of the initial ROPS and provided notification of such to the DOF, SCO, and ACO.

As of November 14, 2011 (date this report was drafted), the Court has not reached a decision on the Case. The Court heard oral arguments in *CRA v. Matosantos* on November 10, 2011 at 9 a.m. The Court has indicated that it intends to make a decision regarding the constitutionality of the assembly bills before January15, 2012, which is the payment deadline for the first installment of the voluntary payment for FY 11-12 pursuant to ABx1 27. Until then, the fate of redevelopment in California remains uncertain.

II. YEAR IN REVIEW - FY 2010-11

Fiscal Year 2010-11 marked the second year of initiatives as prescribed in the Five Year Implementation Plans as approved the Board of Directors in December 2009. An Implementation Plan was prepared for each of the five project areas and describes specific goals and objectives, including a program of actions and expenditures for a period of five years. The primary goals of the Implementation Plan include the following:

a. **Develop and Implement Inclusionary and Replacement Housing Programs** and projects to meet such needs and to increase, improve and preserve the County's affordable housing stock.

b. **Assist in the Development of Business Incentive Programs** to reconstruct, upgrade and expand commercial areas in conformance with the Riverside County General Plan.

c. **Effectuate Comprehensive Planning**, redesign, replanning, reconstruction and/or rehabilitation of project areas in such a manner as to facilitate a higher and better utilization of land uses in accordance with the Riverside County General Plan.

d. **Assist in the Development of Capital Improvements** to eliminate and prevent the acceleration of physical blight and to encourage the better utilization of real property and new private enterprise investment.

e. **Alleviate Blight** through ongoing, expanded, and new programs designed to increase appropriate land use, maintain clean communities, minimize unsafe conditions, and other related activities.

This Annual Budget Report builds upon the goals detailed in the Implementation Plans and provides specific information for each project area.

The Agency has engaged in a number of housing and capital improvement projects, as well as planning and business development activities, over the past year. Section VII, *A Comparison of the Achievements with the Goals of the Previous Year's Work Program*, highlights the Agency's activities during the 2010-11 Fiscal Year.

III. PROPOSED EXPENDITURES

The 2011-2012 Budget and Work Program includes approximately $366 million in expenditures. The table below is a summary of the expenditures for the Agency's Capital Projects Fund, Debt Service Fund and Housing Fund.

ANTICIPATED EXPENDITURES	Capital Projects Fund (32700)	Debt Service Fund (37100)	Housing Fund (25000)	Total
Services and Supplies	$ 3,552,823	$ -	$ 161,172	$ 3,713,995
Other Charges	$ 182,609,123	$ 109,139,156	$ 44,920,148	$ 336,668,427
Operating Transfers Out	$ 5,138,332	$ 5,957,674	$ 14,534,818	$ 25,630,824
Total Expenditures	**$ 191,300,278**	**$ 115,096,830**	**$ 59,616,138**	**$ 366,013,246**

IV. PROPOSED INDEBTEDNESS

Under Article XVI, Section 16 of the California Constitution and CRL 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 2011-2012 Statement of Indebtedness with the County Auditor prior to October 1, 2011. The table below illustrates the Agency's current indebtedness.

TOTAL INDEBTEDNESS

Description	Date Incurred	Original Amount	Outstanding Debt (P&I)*
CORAL – General	June 1988	$3,116,960	$2,621,728
Housing Set-Aside Fund		N/A	$425,456,142
CORAL – Mira Loma (Bellegrave Land)	May 1990	$4,849,975	$2,586,674
Voluntary Alternative Redev Prog (VARP) FY11-12 & FY 12-13		N/A	$38,968,815
Pass-Through Agreements		N/A	$365,236,265
County Auditor's Fees		N/A	$7,327,010
Owner Participation Agreements		N/A	$5,758,531
Tax Increment Projects		N/A	$5,843,096
Tax Increment Property/Loans		N/A	$24,876
2004 Tax Allocation Bonds	Dec 2004	$220,443,771	$181,679,061
2005 Tax Allocation Bonds	Aug 2005	$277,620,609	$229,836,345
2006 Tax Allocation Bonds Series A	Oct 2006	$320,209,026	$274,686,194
2006 Tax Allocation Bonds Series B	Oct 2006	$63,440,860	$54,536,556
2007 Tax Allocation Bonds	Apr 2007	$159,837,019	$139,792,550
2010 Tax Allocation Bonds	July 2010	$198,719,856	$194,957,473
2011 Tax Allocation Bonds	March 2011	$197,969,396	$197,969,396
TOTAL INDEBTEDNESS			**$2,127,280,712**

* As of June 30, 2011

V. ANTICIPATED REVENUES

The 2011-2012 Budget and Work Program includes approximately $366 million in anticipated revenues, as depicted in the table below.

ANTICIPATED REVENUES

Revenues	*Capital Projects Fund (32700)*	*Debt Service Fund (37100)*	*Housing Fund (25000)*	*Total*
Taxes	$ -	$ 72,059,188	$ 18,014,870	$ 90,074,058
Interest-Invested Funds	$ 320,673	$ 222,407	$ 172,351	$ 715,431
Interest-Other	$ 627,627	$ 177,701	$ 100,000	$ 905,328
Bond Proceeds	$ 180,042,664	$ 18,014,870	$ 39,070,483	$ 237,128,017
Operating Transfer In	$ 5,957,674	$ 19,672,150	$ -	$ 25,629,824
Fed ARRA – Prime Recipient	$ 1,000	$ -	$ -	$ 1,000
Other Sources	$ 86,446	$ -	$ 1,000	$ 87,446
Reimbursement for Services	$ 51,014	$ -	$ 202,879	$ 253,893
Loss or Gain-Sale Real Estate	$ 1,000	$ -	$ 1,000	$ 2,000
Contractual Revenue	$ -	$ 4,950,514	$ 990,103	$ 5,940,617
Temporary Use Lease	$ 399,877	$ -	$ 147,230	$ 547,107
Interfund – Reimb for Services	$ 574,890	$ -	$ 1,000	$ 575,890
Interfund - RDA	$ 1,000	$ -	$ 1,000	$ 2,000
Interfund - Miscellaneous	$ 1,000	$ -	$ 1,000	$ 2,000
Interfund - Leases	$ 1,265,344	$ -	$ -	$ 1,265,344
Rebates/Refunds	$ 1,970,069	$ -	$ 913,222	$ 2,883,291
TOTAL	***$ 191,300,278***	***$ 115,096,830***	***$ 59,616,138***	***$ 366,013,246***

VI. WORK PROGRAM

The Agency proposes the following goals and objectives for Fiscal Year 2010-2011.

GOAL 1 - Housing: *To develop and implement programs and projects which meet the Agency's inclusionary and replacement housing needs and increase, improve and preserve the County's affordable housing stock, provide decent, safe and sanitary housing and living environments to lower income residents, and to ensure that building and safety standards are met by providing homeowners and investors with technical, financial and other related assistance.*

ACTIONS:

- *Continue the use of the Home Improvement Program (HIP) to help address the need for substantial rehabilitation in all redevelopment project areas.*
- *Continue to use the Home Rehabilitation Program (HRP) in all redevelopment project areas to address residential blight in project areas.*
- *Where deterioration makes rehabilitation infeasible the Agency will continue to demolish and replace dwelling units on a one-for-one, bedroom lost, bedroom replaced, basis at a cost affordable to or lower than the existing occupying household.*
- *Increase homeownership opportunities for low and very low-income large family households through increased marketing of the First Time Homebuyer Program (FTHB) using 20% low and moderate income housing funds, the Neighborhood Stabilization Homeownership Program (NSHP), the Redevelopment Homeownership Program (RHP), and the Mortgage Credit Certificate Program (MCC).*
- *Increase the supply of new rental housing for low and very low-income large family households in the unincorporated County through exploration of new and utilization of existing partnerships with both the non-profit and private sectors.*
- *Continue to monitor all Agency-assisted housing projects to ensure compliance with affordability and maintenance requirements pursuant to existing covenants and agreements.*
- *Continue to implement and expand the Infill Housing Program (IHP) in project areas, where ever feasible and possible, to address underutilized and blighted parcels and increase homeownership among low, very low, and moderate-income households.*

GOAL 2 - Business Incentive Programs: *To reconstruct, upgrade and expand commercial areas in conformance with the Comprehensive General Plan.*

ACTIONS:

- *Continue to implement an ongoing economic development and business promotion program to expand existing businesses and attract new ones.*
- *Continue to offer small business commercial rehabilitation programs to rehabilitate deteriorated commercial buildings.*
- *Provide incentives for development of new or existing commercial and industrial facilities to encourage employment and investment in project areas.*

GOAL 3 - Planning: *To effectuate the comprehensive planning, redesign, replanning, reconstruction and/or rehabilitation of project areas in such a manner as to facilitate a higher and better utilization of land uses in accordance with the Comprehensive General Plan.*

ACTIONS:

- *Assist in future updates of the Housing Element, as necessary.*
- *Eliminate non-conforming uses as appropriate and necessary.*
- *Buffer residential neighborhoods from the intrusion of incompatible land uses.*
- *Provide incentives for the development of under-utilized parcels.*
- *Remove economic impediments to land assembly and in-fill development in areas that are not properly subdivided for development or redevelopment.*
- *Actively engage in community outreach for land use planning and project area activities, including, but not limited to, Project Area Committee (PAC) and community meetings.*

GOAL 4 - Capital Improvements: *To encourage the better utilization of real property and new private enterprise investment.*

ACTIONS:

- *Assist in the improvement of public infrastructure. Such improvements could include the construction or reconstruction of roads, curbs and gutters, and sidewalks; providing signalization; installing landscaping, multi-use trails, lighting and street furniture; and the construction or reconstruction of water storage and distribution facilities, drainage and flood control measures, and sewer systems.*
- *Assist in the development of public facilities and utilities, such as the construction or rehabilitation of fire and sheriff stations, community centers, school facilities, parks, multi-use trails, and utility improvements.*
- *Assist in the rehabilitation of residential properties (see Housing Goals above).*

GOAL 5 – Alleviate Blight: *To eliminate and prevent the acceleration of physical blight.*

ACTIONS:

- *Acquire real property for future infill housing, adaptive reuse, and economic development activities.*
- *Reduce Health and Safety related issues for Agency acquired property with activities such as fencing, weed abatement, and other activities.*
- *Environmental remediation of Agency-owned land, as necessary.*
- *Continue to implement a Graffiti Abatement Program.*
- *Continue to offer the volunteer demolition grant program to remove unsafe structures that pose public health and safety hazards.*

VII. COMPARISON OF THE ACHIEVEMENTS WITH THE GOALS OF THE PREVIOUS YEAR'S WORK PROGRAM

Progress toward the aforementioned goals will be summarized under the following general categories: A) Housing, B) Business Incentive Programs, C) Planning, D) Capital Improvements, and E) Elimination of Blight.

A. HOUSING

The Redevelopment Agency for the County of Riverside (RDA) directly participated in a number of housing projects and programs which are identified below. As imposed by California Community Redevelopment Laws, redevelopment agencies are required to deposit 20% of all redevelopment tax increment dollars into a separate Housing Set-Aside fund. This fund is used to provide financing for projects and programs to improve and increase affordable housing for low- and moderate- income residents in the unincorporated areas of the County of Riverside (County) and RDA project areas.

For Fiscal Year 2010-2011 (FY 10-11), funds were expended on Rehabilitation Housing Programs, Homeownership Assistance Programs, Mobile Home Housing Programs, the Infill Housing Program, new construction of Single Family Housing Projects, Acquisition/ Rehabilitation/ New Construction and Resale of Single Family Housing Projects, Multi-Family and Special Needs Housing Projects, Mobile Home Housing Projects, and Land Acquisition.

1. Rehabilitation Housing Programs

The RDA assists families with housing needs through various programs that offer financial assistance for rehabilitation of existing homes. In addition, Community Development Block Grant funds (CDBG) were used to assist in funding some of these programs. The programs offered by the RDA are described below and include the number of projects completed and expenditures for FY 10-11.

a. Emergency Housing Response Program (EHRP)
EHRP was created to assist income qualified households displaced by emergencies, such as the Esperanza Fire in 2006, with temporary tenant based rental assistance. Limited to unincorporated areas of the County, the Housing Authority of the County of Riverside administers the program with an initial fund of $1,250,000 to provide families displaced by natural disaster or government action with a maximum of 24 months of rental assistance. An additional $200,000 was allocated for a new total of $1,450,000. A total of $1,278,736 has been expended and assisted 68 families since the inception of the program. A total of $28,797 was expended this past fiscal year assisting 4 families. Existing obligations will be honored. Funding for new projects under this program is pending outcome of legislation.

b. Senior Home Repair (SHR) Program

The SHR Program provides one-time-only grants up to $6,000 to qualified extremely low- and very low-income senior homeowners (62 years or older) or extremely low- and very low-income disabled persons of any age to repair or improve their homes. The grant requires that the repairs and/or enhancements address health and safety issues exclusively.

Eligibility is based upon owner-occupancy and a household income that does not exceed 50% of the area median income. The RDA has contracted with the Riverside County Office on Aging to assist in caseload management. The Office on Aging takes applications over the phone and submits eligible applications directly to RDA. RDA staff, upon receipt of applications, visits each site and conducts an in-depth assessment of the repairs needed and make an evaluation of which program is best suited to the homeowner. A total of 72 SHR projects were completed with a total expenditure of $382,541 with an average assistance of $5,313.

RDA Funded Projects:	52	Expenditures:	$281,585
CDBG Funded Projects:	20	Expenditures:	$100,956
Total Funded Projects:	72	Total Expenditures:	$382,541

Program funding for new projects is pending outcome of legislation.

c. Enhanced Home Repair (EHR) Program

The EHR Program provides one-time grants up to $6,000 to extremely low-income and very low-income households for home repair or enhancements to address health and safety issues. The program is available to all homeowners regardless of age and/or disability. During the FY 10-11, 1 EHR project was completed using CDBG funds with a total expenditure of $6,000. 5 EHR projects were completed using RDA Funds, with a total expenditure of $28,921. The average per unit expenditure was $5,820. Of the 6 completed projects, three (3) assisted very low income families and three (3) assisted extremely low income families.

RDA Funded Projects:	5	Expenditures:	$28,921
CDBG Funded Projects:	1	Expenditures:	$6,000
Total Funded Projects:	6	Total Expenditures:	$34,921

Program funding for new projects is pending outcome of legislation.

d. **Home Rehabilitation Program (HRP)**
HRP provides one-time grants of up to $20,000 to qualified low-income homeowners to repair or improve the quality of their homes. The grant allows homeowners to address both interior and exterior health and safety issues, housing quality standards (HQS), and handicapped accessibility improvements. During FY 10-11, 8 projects were completed using CDBG Funds, with a total expenditure of $118,130, and 36 projects were completed using RDA Funds, with a total expenditure of $644,789. A total of 44 projects were completed using both CDBG and RDA funds. The total expenditure for HRP projects was $782,918. The average assistance per unit was $17,336. A total of 12 households assisted were extremely low-income, 16 were very low-income, and 16 were low-income. All HRP-assisted units are restricted to low-income households and the homeowner signs an agreement to maintain the property in good condition for a period of 10 years.

RDA Funded Projects:	36	Expenditures:	$644,789
CDBG Funded Projects:	8	Expenditures:	$118,130
Total Funded Projects:	44	Total Expenditures:	$782,918

Program funding for new projects is pending outcome of legislation.

e. **Home Improvement Program (HIP)**
HIP is an auxiliary program to the HRP. The primary purpose of HIP is to improve the living conditions of low-income homeowners. HIP provides 0% interest loans for essential repairs to low-, very low-, and extremely low-income owner-occupants of single-family homes whose repair goes beyond a non-substantial rehabilitation.

One RDA funded HIP project was completed during FY 10-11 program year with a total of $75,000 being expended to provide assistance for an extremely low income household. Program funding for new projects is pending outcome of legislation.

2. **Redevelopment Homeownership Program (RHP)**

RHP provides down payment assistance, up to 20% of the purchase price, in the unincorporated and redevelopment project areas of the County. Assistance is provided in the form of a silent second, deferred and forgivable loan, with an affordability covenant recorded against the property to ensure that it remains owner-occupied by an eligible household for a minimum of 45 years. Households must qualify as a first time home buyer or not have owned a home within the last three (3) years and be of low- or moderate- income.

RDA Funded Projects:	14	Expenditures:	$626,616
Total Funded Projects:	14	Total Expenditures:	$626,616

Program funding for new projects is pending outcome of legislation.

3. Mobile Home Housing Programs

The RDA assists families with housing needs through various programs that offer financial assistance for rehabilitation of existing mobile homes or mobile home parks. The programs offered by the RDA are described below and include current and completed projects and expenditures for FY 10-11.

a. Mobile Home Tenant Loan Program (MHTL)
MHTL was established to improve substandard living conditions of mobile home owners living in un-permitted mobile home parks. This program provides financial assistance to mobile home owners by providing a zero (0%) interest loan in an amount up to $40,000. The funds from the loan are used to purchase a unit that will replace the existing substandard unit and will be installed in a permitted site. As a supplement to the MHTL loan, HCD's Joe Serna Grant was utilized to provide a matching source of funds up to $15,000.

For FY 10-11, MHTL assisted a total of 17 households with a total expenditure of $670,665 in RDA funds. 8 households were very low-income and 9 households were extremely low-income. The average MHTL RDA expenditure per unit was $39,451.

The abatement of the existing substandard owner-occupied units is a requirement of the MHTL Program. During FY 10-11, $69,700 in RDA funds was expended to demolish those units. Program funding for new projects is pending outcome of legislation.

b. Fee Land Mobile Home Loan (FLMHL)
FLMHL was established to improve substandard living conditions of mobile home owners living in un-permitted mobile home parks within the Torres Martinez Desert Cahuilla Indians (TM) tribal boundaries. The FLMHL program is modeled after the existing Mobile Home Tenant Loan Program and provides a loan in an amount up to $60,000.

For FY 2010-2011, FLMHL assisted a total of 25 households with a total expenditure of $1,475,843 in CalHome funds. 19 households were very low-income and 6 households were extremely low-income. The average FLMHL CalHome expenditure per unit was $59,034. Program funding for new projects is pending outcome of legislation.

4. **New Construction- Single Family Housing Projects (Infill Housing Program)**

The Infill Housing Program is designed to promote new development of affordable single-family housing on previously vacant or blighted lots. The new homes developed through the program are required to be sold as affordable owner-occupied housing to lower-income households with an emphasis placed on development within the County's redevelopment project areas. Funding assistance for development cost is provided to developers to build homes on land that has been acquired either by the RDA or by the developer for the purpose of building affordable housing. The following is a list of projects where RDA funds were either committed and/or expended under this program during FY 10-11.

a. **Ripley/Mesa Verde Infill Housing Project**
In September 2006, the RDA approved a Development Agreement with a non-profit affordable housing developer that provided a grant for $408,000 for the construction of 10 single-family homes. The project consists of 5 three-bedroom and 5 four-bedroom single-family homes on scattered vacant lots in the communities of Ripley and Mesa Verde as affordable homeownership opportunities to low-income families. The total development cost for the project is approximately $1,871,500. All ten homes will be restricted to low-income first-time homebuyer households with an affordability restriction for a period of at least 45 years. All ten homes completed construction in 2008. 3 homes have been sold and 7 homes remain to be sold. The Developer is marketing the homes aggressively; however the soft market has made it difficult to sell. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

b. **37th and Wallace Infill Housing Project, Rubidoux**
In July 2005, the RDA approved a Disposition and Development Agreement ("DDA") with a non-profit affordable housing developer to transfer land owned by the RDA, purchased for $72,000, and provide a loan of $45,000 in RDA Housing Set-Aside funds for the development of 3 new single-family homes. The loan was amended to $310,000 in September 2008. The project consists of 1 three-bedroom and 2 four-bedroom homes on vacant land at the corner of 37th and Wallace in the unincorporated community of Rubidoux. The estimated total development cost for the project is $1,015,000. All 3 homes will be restricted to low- to moderate-income first-time homebuyer households with an affordability restriction for a period of at least 45 years. The project is currently under construction and is expected to be completed by October 2011. This project is an enforceable obligation.

c. **Mira Loma Infill Housing Project**
In June 2006, the RDA approved a DDA with the Housing Authority of the County of Riverside (HACR) to transfer land owned by the RDA, purchased for $65,000, and provide a grant of $350,000 in RDA Housing Set-Aside funds for the development of

up to 2 new single-family homes. The Mira Loma Infill Housing Project was developed on vacant land located between Bellegrave Avenue and 48th Street in the unincorporated community of Mira Loma. The homes will be restricted to low-income first-time homebuyer households with an affordability restriction for a period of at least 45 years. The project is currently undergoing a lot-split and entitlements. It is anticipated that the project will be constructed by 2013. This project is on hold pending the outcome of legislation.

d. Molino Way, Rubidoux
In May 2011, the RDA approved a DDA with HACR to transfer land owned by the RDA and provide assistance in the amount of $173,000 for the development and construction of a single-family home in the unincorporated community of Rubidoux. The total construction cost is approximately $332,557. The home will be restricted to low and moderate-income households who are first-time homebuyers with a 45 years affordability restriction. The project is anticipated to be completed by July 2013. This project is an enforceable obligation.

e. Pontiac Street, Rubidoux
In December 2010, the RDA approved a DDA with Habitat for Humanity Riverside, Inc. to transfer RDA owned land and provide assistance in the amount of $55,000 for the development and construction of 2 single-family homes in the unincorporated community of Rubidoux. The total construction cost is approximately $434,220. The homes will be restricted to low-income households for a period of 45 years. The project is anticipated to be completed by October 2011. This project is an enforceable obligation.

5. <u>New Construction- Single Family Housing Projects</u>

The RDA solicits proposals from developers to expand affordable housing opportunities for low-income and special needs households. Ownership housing projects with low income affordability restrictions qualify for funds under this program.

a. Valencia Self-Help Project, Mecca
The Valencia Self-Help Homes Project completed construction of 45 single-family homes utilizing a non-profit affordable housing developer's self-help program. All 45 homes will be affordable to low-income households for a period of 45 years. Of the 45 families assisted 17 families were very low income and 8 families were extremely low income. A total of $1,000,000 of RDA funds was contributed to the project for construction costs and as a subsidy to the families. The total development budget was $6,966,580 with permanent financing coming from USDA, CalHome, Joe Serna and AHP. All single-family homes utilized the developer's mutual self-help program. The project was completed in January 2011, prior to the enactment of ABx1 26 and ABx1 27 (legislation regarding redevelopment).

b. Nuestro Orgullo Homes, Mecca

In June 2007, the County provided $1,500,000 in RDA funds to a non-profit affordable housing developer for the development of approximately 291 single-family homes through the developer's self-help housing program. The project is located on 60 acres of vacant land in the unincorporated community of Mecca. The project proposes approximately 87 three-bedroom homes and 204 four-bedroom homes. Other funding sources include $52,999,993 in USDA Section 502 loans; a FWHG of $1,500,000; buyer sweat-equity in the amount of $6,984,007; a loan of $444,000 from the HCD CalHome Program; and $1,000,000 from Affordable Housing Program (AHP). The total development cost is estimated to be $64,428,000. A total of approximately 83 RDA-assisted units will be restricted to lower income households and 44 of those units will be reserved for very low-income households for a period of 45 years. The project has received entitlements and is expected to commence construction in July 2012, pending the outcome of redevelopment legislation.

c. Mission Village Single Family (formerly Glen Avon Housing Project), Glen Avon

The RDA acquired land in the unincorporated community of Glen Avon off Mission Boulevard between Pedley Road and Bellegrave Avenue. In June 2011, an Exclusive Negotiating Agreement/Pre-Development Loan for $618,000 was approved for a for-profit developer to entitle a single family detached housing project restricted to low and moderate income households. The project for the property has been conceptually approved and is commencing entitlements. It is anticipated that the project will be fully entitled by December 2012. This project is an enforceable obligation.

6. **Acquisition, Rehabilitation/New Construction and Resale- Single Family Housing Projects**

a. RDA-1 Acquisition, Rehabilitation, and Resale of Foreclosed Single-Family Homes, Unincorporated and Redeveloped Project Areas of the County

The RDA has committed $3,000,000 with a for-profit developer for the acquisition, rehabilitation and resale of vacant, foreclosed and bank-owned single-family homes to qualified low- and moderate-income first-time homebuyers within the Jurupa Valley Redevelopment Project Area. In April 2010, the RDA provided an additional $1,500,000 to expand the project to include all unincorporated areas of the County of Riverside. To date, a total of 20 homes have been acquired and rehabilitated by the developer; 15 homes have been sold to homeowner occupancy (low-income households with a 45-year affordability period); 3 homes are in escrow to be sold; and 2 are listed for sale on the market. The remaining homes are anticipated to be sold to qualified homebuyers by October 2011. This project is an enforceable obligation.

b. **RDA Single-Family Acquisition, Rehabilitation or New Construction, Jurupa Valley**
In May 2011, the RDA identified a need in the county to stabilize neighborhoods whose viability has been damaged by the economic effects of properties that have been foreclosed upon, abandoned or subjected to blighted conditions. The RDA entered into a Memorandum of Understanding (MOU) with a non-profit affordable housing developer to provide a total grant of $1,500,000, not to exceed $500,000 annually, to acquire foreclosed, abandoned or blighted single-family homes or vacant residential lots within the RDA's Jurupa Valley Project Area with the objective to rehabilitate or construct new homes. All homes will be sold to very low-income, first-time homebuyer households earning less than 50% of the county area median income with the commitment to occupy the homes as their principal residence for a minimum period of 45 years. To date, one property has been acquired for new construction of a single-family home. This project is an enforceable obligation.

c. **Inland Empire Rescue Mission Homes, Unincorporated Areas of the County**
The RDA awarded a developer $996,000 for the purpose of carrying out its obligation to help eliminate blight and providing safe and decent affordable housing to its residents. The developer acquired 4 bank owned single family homes at a 1% discount. The homes have been acquired/rehabilitated and currently being marketed to rent to eligible very low income residents. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

7. **New Construction- Multi-Family Housing and Special Needs Housing Projects**

The RDA solicits proposals from developers to expand affordable housing opportunities for lower-income and special needs households. Both rental and ownership housing projects with lower-income affordability restrictions qualify for funds under this program.

a. **Mission Village Senior Apartments, Glen Avon**
In March of 2008, the RDA provided $9,243,334 in RDA funds for the development and construction of Mission Village Senior Apartments, a 102-unit affordable senior apartment complex in the unincorporated community of Glen Avon. On September 2, 2008, the RDA approved the Amended and Restated DDA to amend applicable sections of the DDA affected by the elimination of the State Low Income Tax Credit as a funding source. The loan amount was increased to $9,824,015. The project includes 90 one-bedroom units, 11 two-bedroom units, and 1 two-bedroom unit set-aside for an on-site manager. In April of 2011, the RDA provided an additional $650,000 for building fees and permits, environmental toxic abatement, and architectural and engineering. Other funding sources included a conventional bank loan for $3,019,918; limited partner tax credit equity for $5,543,366; a Federal Home

Loan Bank Affordable Housing Program (AHP) Loan for $500,000; a deferred developer fee for $528,293; and accrued construction loan interest for $371,513. The total development cost for the project was $20,418,457. A total of 90 RDA-assisted units will be reserved for low- and very low-income senior households for an affordability period of at least 56 years. Construction was completed in May 2010, prior to the enactment of legislation regarding redevelopment.

b. Desert Rose Apartments (formerly Ripley Farm Worker Center) Ripley
In In November 2005, the RDA approved a Rehabilitation of Real Property Agreement with the HACR. The Ripley Farm Worker Center Project is an acquisition, rehabilitation and conversion of a transitional migrant facility into a permanent multi-family and farm worker rental housing facility that is located in the unincorporated community of Ripley. The facility will consist of 76 rental housing units and 1 on-site manager's unit. The project has a mix of 4 studios, 9 one-bedroom, 39 two-bedroom, 20 three-bedroom, and 4 four-bedroom units. The total development cost for the project is approximately $11,860,000. The project received funding from a FWHG of $3,000,000 from HCD; a HACR equity contribution of $360,000; and RDA grants totaling $8,500,000. All 76 units will be set-aside for the benefit of low-income domestic farm labor and their families for a period of at least 55 years. The project was completed in September 2008. In May 2009, a 2nd Amendment was approved providing for an additional $200,000 in RDA Low- to Moderate-Income Housing Set-Aside Funds to be used to expedite the lease-up of the units. As of June 2011, all the funds from the 2nd Amendment have been expended and the project is fully leased. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

c. Orange Blossom Lane (formerly Marine Drive), Valle Vista
In April of 2008, the RDA provided $3,300,000 in RDA funds to an affordable housing non-profit developer for the acquisition and rehabilitation of 7 multi-unit rental properties along Orange Blossom Lane, formerly known as Marine Drive, in the unincorporated community of Valle Vista. Additional funding for acquisition included bank loan in the amount of $1,235,000. In September of 2008, the RDA provided an additional $2,760,000 to acquire and rehabilitate 5 additional multi-unit rental properties. In April of 2011, the RDA provided an additional $685,000 to acquire and rehabilitate 1 additional fourplex rental property. The total RDA funds for the project were $6,745,000. The project includes a total of 13 multi-unit properties including a total of 45 units. Rehabilitation for the remaining property is anticipated to be complete by December 2011. This project is an enforceable obligation.

d. Tres Lagos Senior Apartments, Wildomar

In June of 2007, the County expended $4,365,000 in RDA funds to acquire approximately 10.16 acres of land for the development and construction of a 204-unit apartment complex for low-income senior households in the unincorporated community of Wildomar. On February 5, 2008, voters of the [then] unincorporated community of Wildomar elected for city incorporation. On July 1, 2008, Wildomar incorporated as a City. Since the location of the project site was outside the Project Area, but within city limits, the project came to a halt. On September 27, 2010, Senate Bill No. 977 (amending Health & Safety Code Section 33214) allowed for the RDA to resume development. The project is slated to be constructed in multiple phases and is currently in the predevelopment phase. All of the units in the development will remain reserved for low-income senior households for an affordability period of at least 55 years. This project is on hold pending the outcome of legislation.

e. Vineyards at Menifee, Menifee

In March 2008, the RDA committed $2,000,000 in RDA funds to a developer to acquire approximately 4.8 acres of land for the development and construction of an 81-unit apartment complex for low-income senior households in the City of Menifee. The project consists of 64 one-bedroom, 16 two-bedroom, and one two-bedroom unit set-aside for an on-site manager. On February 8, 2011, the RDA approved an additional loan in the amount of $3,600,000 for the construction of the project. Other funding sources include an $897,904 conventional loan; a loan of $1,500,000 from the Mental Health Services Act ("MHSA") Program; tax credit equity contribution of $12,331,395; and a $2,000,000 grant from the RDA. Additionally, the developer would defer their developer fee up to $374,739. The total cost of development is estimated to be $20,704,038. A total of 39-assisted units will be reserved for low-income senior households for an affordability period of at least 55 years. The project is fully entitled and has received all financing. Construction commenced in March 2011 is anticipated to be completed by October 2012. This project is an enforceable obligation.

f. Legacy Apartments, Thousand Palms

In June 2010, the RDA approved funding assistance in the form of a resolution for $8,800,000 to acquire and develop a site for a gated 80-unit affordable, multi-family community, including an additional on-site manager's unit. In February 2011, the funding allocation was memorialized through a Loan Agreement of $7,300,000 (the $8,800,000 was offset by $1,500,000 MHSA funding). The unit mix of the development will be 14 one-bedroom units, 33 two-bedroom units, and 33 three-bedroom units. The site plan will be comprised of eleven, two-story residential buildings with amenities that include a community building, a laundry building, pool/splash park, multiple open space areas, barbeque/picnic areas, and a basketball court and tot-lots. All of the proposed units will be reserved for low-income families with affordable rents for a period of at least 55 years; fifteen of those units will be reserved for special needs individuals. The estimated total development cost for the Project is $25,168,039. Funding will include a $2,534,954 conventional loan from Farmers & Merchant Bank; a $1,500,000 loan from MHSA; a deferred developer fee of $126,722; and Riverside County Transportation Uniform Mitigation Fee waiver of $101,516. The balance of $13,604,847 will come from the tax credit equity financing. All of the financing for the project has been approved. Entitlements were approved in June 2010. Construction commenced in May 2011 and is anticipated to be completed by June 2012. This project is an enforceable obligation.

g. Desert Meadows (formerly Date Palm Mobile Home Park), Indio

The RDA purchased the Date Palm Mobile Home Park which is located outside the city limits of Indio in the unincorporated area of the County for the purpose of carrying out its obligation to help eliminate blight and providing safe and decent affordable housing to its residents. The mobile home park was purchased in August 2007 for $1,900,000. The RDA has relocated the residents that were living in the park and demolished all structures on the site. The RDA provided pre-development loan in the amount of $997,400 for expenses related to entitlements for a new 80-unit affordable housing complex with numerous amenities. On June 29, 2010, the RDA approved a loan in the amount of $6,902,600 to fill the financing gap related to construction; the total loan amount includes the pre-development loan. Other funding sources include a loan of $6,112,655 from the State of California Department of Housing and Community Development Multifamily Housing Program; and tax credit equity contribution of $9,125,740. Additionally, the developer would defer their developer fee up to $35,000. The total cost of development is estimated to be $23,173,395. A total of 68-assisted units will be reserved for low-income households for an affordability period of at least 55 years. The project is fully entitled and has received all financing. Construction will commence in November 2011 is anticipated to be completed by January 2013. This project is an enforceable obligation.

h. Middletown Crossings, Thermal

The RDA acquired the property located in the unincorporated area of the Eastern Coachella Valley in an effort provide much needed affordable housing to the community of Thermal and outlying areas. The 23.87 acre property was purchased in December 2006 for $4,393,000. In addition, the acquisition of this property allowed for the demolition of ten substandard and dilapidated housing structures located at the property. Acquisition and relocation of the residents were the first steps toward overall improvements that will benefit the entire community. On February 2010 the RDA approved a $450,000 loan for pre-development expenses related to entitlements and environmental cleanup of the site. The developer is proposing to develop a 186-unit multi-family housing project. Actions planned for the next fiscal year include submitting for entitlements to Planning and applying for financing of the proposed project. This project is on hold pending the outcome of legislation.

i. **Highgrove Family Apartments, Highgrove**
The RDA purchased a 7.43 acre parcel located in the unincorporated community of Highgrove for the purpose of carrying out its obligation to help eliminate blight and providing safe and decent affordable housing to its residents. A public library has since been built on a section of the parcel (.72 acres) and the housing project is being proposed on the balance of the parcel (6.71 acres). The section of the parcel on which the housing project is to be built was purchased for $1,006,952. In April 2010, the RDA approved a $550,000 loan for pre-development expenses related to entitlements of an affordable housing project on the property. The proposed project is in the planning stage and currently undergoing entitlements. The start of construction is anticipated to commence in 2012, pending financing approval. The loan for $550,000 is an enforceable obligation, but the financing for the construction of the project is on hold pending the outcome of legislation.

j. **Mustang Lane Infill Housing Project, Rubidoux**
In October 2006, the RDA approved an Agreement to Develop with a non-profit affordable housing developer to provide a grant of $1,155,000 for land acquisition and construction of seven single family homes in the unincorporated community of Rubidoux. Subsequent to that, the RDA and developer have since mutually agreed to explore the development of a multifamily rental housing complex instead of the single family homes initially planned. On March 2009 the RDA and developer entered into a Memorandum of Understanding that would allow the developer to utilize $234,000 of the original $1,155,000 grant towards pre-development expenses that would be incurred in obtaining necessary entitlements and financing for the development of the proposed multifamily project. The proposed project is in the planning stage and currently undergoing entitlements. The start of construction is anticipated to commence in 2012, pending financing approval. Any further action on this project will be determined after the California Supreme Court decision regarding redevelopment is rendered.

k. **Vista Rio Apartments, Rubidoux**
The RDA purchased and assembled parcels to create an approximate 15-acre site for an affordable housing project located in the Jurupa Valley Project Area for the purpose of carrying out its obligation to help eliminate blight and providing safe and decent affordable housing to its residents. The property was purchased in December 2010 for $2,201,183. In June 2011, the RDA approved an Exclusive Negotiating Agreement/Pre-development Loan in the amount of $618,000 for entitlement expenses. The proposed project is in the planning stage and currently undergoing entitlements. The start of construction is anticipated to commence in 2012, pending financing approval. Entitlement costs are enforceable obligations, while the approval for construction costs is on hold pending the outcome of legislation.

l. **Operation Safehouse, Thousand Palms**

The RDA owns approximately .41 acre parcel located in the community of Thousand Palms in the unincorporated area of Riverside County and within the Desert Communities Redevelopment Project Area. The Site includes a recently abandoned fire station, which has been demolished for site preparation. The project is located outside a redevelopment project area. The RDA entered into a DDA for the development of 16 affordable rental housing units that will include one (1) manager's unit. Additionally, the RDA will provide a loan of $1,100,000 for the construction of the project which will include $400,000 to be used for predevelopment expenses related to the development of the site.

The project is an expansion to the existing Operation Safe House of the Desert facility located at 72710 E. Lynn Street, in the community of Thousand Palms, which the Developer currently owns and operates. The Project will produce living quarters and the existing campus facility will be utilized to provide the educational and life skill services, training, drug abuse prevention counseling, individual and group counseling and job seeking assistance to the residents of the Project.

The total project budget is $4,464,224. The sources of funds utilized will be a loan from Department Of Housing & Community Development Emergency Housing & Assistance Program Capital Development (EHAP CD) for $1,000,000, a loan from HUD Homeless Continuum of Care funds for $365,000, a loan from RDA for $1,100,000, a loan from the Federal Home Loan Bank Affordable Housing Program for $640,000, and a loan from Department of Housing & Community Development Multifamily Housing Program-Supportive Housing for $1,359,224.

The proposed Project will serve households that do not exceed fifty percent (50%) of the area median income for the County adjusted by family size at the time of occupancy. Construction is anticipated to commence in January 2012 and be completed in November 2012, pending the outcome of redevelopment legislation.

m. **100 Palms Resort Acquisition, Oasis**

The RDA purchased the 100 Palms Resort which is located in the unincorporated area of the County for the purpose of carrying out its obligation to eliminate blight and provide safe and decent affordable housing to its residents. The mobile home park was purchased in May 2008 for $2,212,286. The RDA has relocated the residents that were living in the park and demolished all structures on the site. Relocation costs were $1,498,340. The RDA issued a Request for Qualification and Proposal on March 2009, for the development of an affordable housing project on the property and a developer was selected as the most responsive and qualified developer for the site. On February 2010 the RDA approved a $450,000 loan for pre-development expenses related to entitlements and environmental cleanup of the site. The proposed project is in the planning stage and currently undergoing entitlements.

The start of construction is anticipated to commence in 2012, pending financing approval. This project is on hold pending the outcome of legislation.

n. Crestmore Family Apartments (formerly Cottonwood Mobile Home Park), Rubidoux

The project involves the acquisition of the Cottonwood Mobile Home Park located at the corner of Crestmore Road and Mission Boulevard. The mobile home park was purchased on May 27, 2009 for approximately $2,570,000. The adjacent property north of the mobile home park was also acquired on August 19, 2010 for approximately $273,000. Relocation activities totaled approximately $2,000,000. Demolition, site clearance, and abatement were approximately $334,000. The first group of mobile home residents began relocating in August of 2009 with demolition, abatement, and site clearance commencing as residents moved out. The final group of residents was relocated in July of 2010, followed by the remaining clearance of the site. Entitlements are currently underway for a 66-unit affordable multi-family apartment complex. Approval of funding for the construction of this project is on hold pending the outcome of legislation.

8. <u>New Construction- Mobile Home Housing Projects</u>

The RDA solicits proposals from developers to expand affordable housing opportunities for low-income and special needs households. Both rental and ownership housing projects with low-income affordability restrictions qualify for funds under this program.

a. Los Vinedos Mobile Home Park, Mecca

In April 2008, the RDA approved a resolution in support for the development of a 41 space mobile home park by Desert Empire Homes, a not for-profit developer. Los Vinedos is situated on approximately 50 acres located south of 66th Avenue, north of 70th Avenue, west of Polk Street and on the east side of Harrison Street in the unincorporated community of Oasis. The proposed Project will be built in two phases. The first phase will consist of 180 spaces plus one manager's unit and a community center of approximately 2,200 sq. ft. in size and the second phase, which will be built in the future, to include the remaining mobile home spaces. The development cost for the first phase is $9,716,528. The project will receive $3,500,000 in RDA Set Aside Funds and the balance of the development costs will be obtained by the developer in the form of private financing. A minimum of 20 mobile home park spaces in the development will be set aside for very low-income households for a period of at least fifty-five years. The first phase of this mobile home park is anticipated to commence in 2012, pending financing approval. This project is on hold pending the outcome of legislation.

b. Mountain View Estates, Oasis

In April 2008, the RDA approved a Grant Agreement for the construction of a 398 space mobile home park. Mountain View Estates is situated on approximately 50 acres located south of 66th Avenue, north of 70th Avenue, west of Polk Street and on the east side of Harrison Street in the unincorporated community of Oasis. The proposed Project will be built in two phases. The first phase will consist of 180 spaces plus one manager's unit and a community center of approximately 2,200 sq. ft. in size and the second phase, which will be built in the future, to include the remaining mobile home spaces. The development cost for the first phase is $10,180,715. The project will receive $6,500,000 in RDA Set Aside Funds and the balance of the development costs will be obtained by the developer in the form of private financing. The project received a grant from the United States Department of Agriculture Rural Business Enterprise Grant in the amount of $675,000 and an application for the United States Department of Agriculture Water and Waste Disposal Loan and Grant funds program is pending in the amount of $6,600,000. A minimum of 90 mobile home park spaces in the development will be set aside for very low-income households for a period of at least fifty-five years. The first phase of this mobile home park is anticipated to be complete by December 2012. The second phase of the project is on hold pending the outcome of legislation.

c. Hernandez Mobile Home Park, Thermal

In August 2010, the RDA acquired the property located in the unincorporated area of the Eastern Coachella Valley in an effort provide much needed affordable housing to the community of Thermal and outlying areas. This property is approximately 1.95 acres. Acquisition and relocation of the residents was the first step toward overall improvements that will benefit the entire community. This project is on hold pending the outcome of legislation.

d. Villalobos Mobile Home Park, Thermal

In March 2011, the RDA acquired the 23.87 acre property located in the unincorporated area of the Eastern Coachella Valley in an effort provide much needed affordable housing to the community of Thermal and outlying areas. In addition, the acquisition of this property allowed for the demolition of ten substandard and dilapidated housing structures located at the property. The acquisition and relocation of the residents were the first steps toward overall improvements that will benefit the entire community. This project is on hold pending the outcome of legislation.

9. RDA Land Acquisitions

RDA owned land was acquired with RDA funds to meet the needs and expand affordable housing for low- and moderate-income households.

a. **Camino Real, Pedley**
The Camino Real property proposes the development and construction of a 152-unit rental housing complex for seniors. The 15 acre underdeveloped property is located in Pedley. It was acquired in July 2006 for approximately $8.5 million. The proposed housing units are expected to provide affordable housing for low-income seniors. Entitlements have been on hold until all public concerns are addressed, and the California Supreme Court decision regarding redevelopment has been rendered.

b. **Mission Village Single Family (formerly Glen Avon Property), Glen Avon**
The RDA acquired land in the unincorporated community of Glen Avon off Mission Boulevard between Pedley Road and Bellegrave Avenue. In June 2011, an Exclusive Negotiating Agreement/Pre-Development Loan for $618,000 was approved for a for-profit developer to entitle a single family detached housing project restricted to low and moderate income households. The project for the property has been conceptually approved and is commencing entitlements. It is anticipated that the project will be fully entitled by December 2012. The loan for $618,000 is an enforceable obligation while the approval of funding for construction of the project is on hold pending the outcome of legislation.

c. **North Hemet Housing Project, North Hemet**
In September of 2007, the RDA began purchasing unimproved real property at fair market value located in the RDA's Mid-County Project Area situated within the North Hemet Sub-Area. By the end of FY 10-11, the RDA acquired a total of approximately 16.7 acres of land for approximately $5,800,000. The RDA is working on a Specific Plan to provide comprehensive direction for the redevelopment of the project area consistent with the goals and policies of the City of Hemet General Plan. The development of the land is on hold pending the outcome of legislation.

d. **Lockhart Property (formerly Sierra Ave and 30th St Housing Project), Rubidoux**
In June 2006, the RDA purchased approximately 6.67 acres of underdeveloped land located in Rubidoux for $1,490,715. The proposed housing units are expected to provide an affordable housing benefit to low-income families who are first time homebuyers. The development of the land is on hold pending the outcome of legislation.

e. **Sherman Road Property, Romoland**
In August 2008, the RDA purchased approximately 1.94 acres for approximately $250,000 in the unincorporated community of Romoland. The property consisted of a vacant single family dwelling unit built in 1919. The existing structure reached its useful life and was ultimately demolished by the RDA in 2009. It is anticipated that the property will be developed as an affordable single-family housing project. The development of the land is on hold pending the outcome of legislation.

f. **Canal Street Park, Rubidoux**
In January 2011, the RDA purchased approximately 0.48 acre of land located on Canal Street in Rubidoux. The property was purchased for approximately $47,000. It is anticipated that the property will be developed into 2-3 affordable single family dwelling units. The development of the land is on hold pending the outcome of legislation.

B. BUSINESS INCENTIVE PROGRAMS

As discussed in the Goals section, business incentive programs are implemented to reconstruct, upgrade and expand commercial areas in conformance with the Comprehensive General Plan.

1. Façade Improvement Program (All Project Areas)

This on-going program initiated in April of 1998. The objective of the Façade Improvement Program is to encourage architecturally consistent design of commercial building facades within redevelopment project areas to enhance their appearance and provide communities with a "sense of place." The Façade Improvement Program provides one-time forgivable loans of up to $25,000 for architectural services, and a maximum grant of $100,000 for construction of improvements. The program is designed to stimulate private investment in commercial areas within redevelopment project areas, and to achieve a cohesive exterior design among businesses within communities. By improving the exteriors of businesses within commercial areas, the partnership of the Agency and property/business owners contributes to the attraction and retention of businesses and increases the value of the business districts. The Program pays for the rehabilitation of existing structures, with priority given to the components of building improvements, signage, and landscaping. The Agency expended $1,341,600 in FY 10-11. New activity under this program is on hold pending the outcome of redevelopment legislation.

2. Economic Development Activity (All Project Areas)

The Redevelopment Agency provides targeted assistance to promote economic development within redevelopment project areas. Assistance can range from infrastructure improvements, disposition and developer agreements and incentives, and other activities that may promote economic growth and alleviate physical and social blight within a project area. Projects that are promoting economic development within project areas include:

a. Butchko Animal Hospital (JVPA)

Start Date:	December 2009
Estimated Completion Date:	December 2011
Estimated Project Cost:	$1,300,000
Agency Contribution for Off-Site Improvements:	$ 750,000
FY 10/11 Expenditures:	$ 40,575
Location:	South side of Mission Boulevard between Mennes and Twining in Rubidoux

As part of the revitalization plan for the community of Rubidoux, one of the Agency's goals is to encourage business growth, create new jobs and help retain existing businesses. The Butchko Animal Hospital has been located in Rubidoux for decades, and has served the local, greater Riverside area and pet owners across the country with services such as artificial insemination. The Agency entered into a disposition and development agreement (DDA) with the property owner to facilitate the development of a new approximately 20,000 square foot veterinary hospital. The property owner will invest approximately $6 million in the development. Development of the hospital has created approximately 42 construction jobs. The expansion of the animal hospital will create 75 permanent jobs. The DDA is an enforceable obligation.

b. **Mission Plaza Improvement Project (JVPA)**

Estimated Start Date:	Spring 2012
Estimated Completion Date:	Winter 2012
Estimated Project Cost:	$ 10,000,000
FY 10/11 Expenditures:	$ 1,780,356
Location:	Southeast corner of Mission Boulevard and Riverview Drive

The construction of the Mission Plaza Improvement Project will benefit the Jurupa Valley Redevelopment Project Area by greatly enhancing the aesthetics of the community. The redevelopment of an existing deteriorated shopping center will promote sound development for the general welfare of the community through improved construction of buildings, facilities, and structures. The project consists of the development of a mixed use project that will combine commercial amenities such as a grocery store with multi-family housing. The project is expected to create 200 full-time jobs and 230 construction jobs. This project is an enforceable obligation.

c. **Trumble Road Exclusive Negotiating Agreement (1-215 Corridor)**

In conjunction with the development of a Big League Dreams Perris Valley, the Agency released an RFP for the development of a 5.28 acre parcel on the corner of Highway 74 and Trumble Road, in Romoland. After receiving responses, the Agency entered into an Exclusive Negotiating Agreement (ENA) with R.C. Hobbs for the development of the parcel with a hotel and restaurants to serve the people who attend baseball tournaments at Big League Dreams and the Agency is working on the terms of a ground lease with the developer. The completion of the development will create needed facilities, as well as jobs, for the community of Romoland. Further progress on the development will occur after the California Supreme Court renders a decision regarding redevelopment.

d. Big League Dreams Perris Valley (Interstate 215 Corridor)

Start Date:	February 2008 (Design), August 2010 (Construction)
Estimated Completion Date:	November 2011 (Construction)
Estimated Project Cost:	$ 2,199,942 (Design and Fees)
	$ 24,900,000 (Construction Budget)
FY 10/11 Expenditures:	$ 17,172,357
Location:	2155 Trumble Road, Perris

The Big League Dreams Perris Valley Sports Park will be located on a County owned 35-acre site, which is the southernmost section of a larger 57-acre site in the City of Perris. The Project consists of the following: six lighted softball/baseball fields, two outdoor arena type soccer fields, a full service restaurant, snack bar, two tot-lot play areas, batting cages, two open turf areas, administrative offices, a maintenance building, parking, lighting, landscaping, and all necessary related improvements. Four of the six fields will be "replica" fields and are designed to look like scaled down versions of Dodger Stadium, Angel Stadium, Yankee Stadium and Fenway Park. Primary access to the Sports Park will be from Trumble Road, which is at ultimate width, but will require driveway improvements. The Trumble Road median will also be modified to accommodate a left turn lane on the southbound side. Sherman Road and Mapes Road will be widened to ultimate width with sidewalk, curb, and gutter improvements. A twelve inch recycled water line extension will be constructed along the Project frontage on Mapes Road and will provide the site with low cost irrigation. The facility will be open and operating in January 2012. Development of the Big League Dreams Perris Valley has created approximately 600 jobs (200 of which are construction jobs), which include contractors, subcontractors, suppliers and manufacturers. Upon completion, the project is expected to create 50-75 permanent jobs. This project is an enforceable obligation.

3. Economic Development Assistance (All Project Areas)

The Redevelopment Agency established the Economic Development Assistance program to assist manufacturing, innovation/technology, and renewable energy companies for the development and rehabilitation of property or capital equipment used for commercial, industrial, and manufacturing purposes within a redevelopment project area. The main purpose of the program is to remove blight, improve the redevelopment project areas, and retain and generate employment in Riverside County. The program provides a loan to such companies of up to $2 million per applicant. The maximum length of the loan is ten years, with an interest rate determined by a published financial index and influenced by the economic impact of the project and the applicant's credit worthiness. The terms of the loan require each company to create or retain at least one Full-Time Equivalent (FTE) position for every $35,000 of assistance provided. The Agency provided economic assistance to AMA Plastics during FY 10-11 in the amount of $2 million. The program is on hold pending redevelopment legislation.

4. **Business Assistance – Fast Track Applications**
The Agency provides technical assistance to businesses that are interested in starting, expanding or relocating to the County by assisting applicants through a special expedited permit process known as the Fast Track Program. The new Fast Track Policy, which includes revised requirements as a result of the recent economic conditions, has been in effect for over one year and has brought more projects forward within the last fiscal year. The purpose of the Fast Track Program is to facilitate and encourage commercial and industrial enterprises that under the new policy either: provide employment opportunities (a minimum of 40 new permanent, full-time jobs); invest at least $5 million in land, building and/or equipment; generate a minimum of $12.5 million in taxable sales annually; or either develop childcare facilities or affordable housing during the time the Riverside County unemployment rate is at 6% or greater. This program is not affected by the pending redevelopment legislation.

Over the past fiscal year, EDA assisted sixteen (16) companies, seven (7) of which were located in Redevelopment Project Areas, by streamlining the development process through the Fast Track program. The program accelerates qualified developers through the permitting process. The projects assisted represent over $8.9 billion dollars in capital investment, $1.1 billion in taxable sales, and the creation of 1,362 new jobs in Riverside County.

The following is a detailed list of businesses that were granted Fast Track status within Riverside County.

- ColGreen Energy, LLC - This project is located on the northwest corner of Avenue 70 and Cleveland Street and includes the construction of a 75 MW photovoltaic generation facility. This $325 million investment will create approximately 15 full-time jobs and 70 construction jobs. The project is currently in plan check.

- US Solar Holdings - This project, located north of the I-10 via the Corn Springs exit in Palen, includes the construction of a photovoltaic solar power plant on 453 acres of land. This $227 million investment will create approximately 2 full-time jobs and 450 construction jobs. The project is currently in development review.

- O'Reilly Automotive, Inc. - This project, located at 5691 Mission Boulevard in Rubidoux and in the Jurupa Valley Redevelopment Project Area, includes the construction of a 7,228 SF building for a new retail auto parts store. This $5 million investment will create approximately 8 full-time jobs and 52 construction jobs. The project is currently in development review.

- Alere Property Group (Komar Distribution) - This project, located at 11850 Riverside Drive in Mira Loma within the Jurupa Valley Redevelopment Project Area, includes the tenant improvements of a warehouse and the addition of office space totaling 656,661 SF. This $1.7 million investment will create approximately 200 full-time jobs and 50 construction jobs. The project has been completed.

- Wintec Energy, Ltd./enXco, Inc. - This project, located on the southwest corner of Karen Avenue and Two Bunch Palms Trail in the Garnet Redevelopment Project Area in North Palm Springs, revises the permit for a 26 MW energy project on 417 acres of land. This $65 million investment will create approximately 5 full-time jobs and 60 construction jobs. The project is currently in the pre-development stages.

- Renewable Resources Group (Project I) - This project, located east of the Blythe Airport with a project site both north and south of the I-10 in Mesa Verde, includes the construction of a 485 MW solar photovoltaic electrical generation facility on 3,240 acres of land. This $2 billion investment will create approximately 6 full-time jobs and 500 construction jobs. The project is currently in development review.

- Mission Plaza - This project, located on the southeast corner of Mission Boulevard and Riverview Drive in Rubidoux within the Jurupa Valley Redevelopment Project Area, is for the construction of a 123,500 SF neighborhood shopping center. This $34 million dollar investment will create approximately 200 full-time jobs and 230 construction jobs. The project is currently under construction.

- Desert Sunlight Holdings, Inc. - This project, located west of Kaiser Road in Desert Center, includes the construction of a 550 MW solar generation facility and construction of transmission line to Red Bluff. This $1.5 billion investment will create approximately 15 full-time jobs and 630 construction jobs. The project is currently in plan check.

- Sunline Transit Agency - This project is located at 32505 Harry Oliver Trail in the Thousand Palms Redevelopment Project Area. The project includes the construction of additional office space, fueling stations, bus terminals, and public parking. This $5 million dollar investment will create approximately 265 full-time jobs and 100 construction jobs. The project is currently in plan check.

- Trammell Crow Company - This project, located at Harley Knox Boulevard and Harvill Avenue in the Mead Valley Redevelopment Project Area, includes the construction of 3 buildings totaling 1,206,710 SF for logistics uses. This $66 million investment will create approximately 750 full-time jobs and 550 construction jobs. The project is currently in plan check.

- Gestamp Asetym Solar North America, Inc. - This project, located northwest of Midland Road and Neighbours Boulevard in Palen, includes the construction of a 37 MW solar photovoltaic power generation facility. This $170 million investment will create approximately 10 full-time jobs and 180 construction jobs. The project is currently in the preliminary stages.

- Renewable Resources Group (Project II) - This project, located east of Blythe Airport and north of Renewable Resources Group (Project I) in Mesa Verde, includes the construction of a 500 MW solar photovoltaic electrical generation facility. This $2 billion investment will create approximately 6 full-time jobs and 500 construction jobs. The project is currently in the pre-development stages.

- Silverado Power (SP Blythe I) - This project, located at I-10 and Wiley Well Road in Chuckwalla, includes the construction of a 220 MW solar photovoltaic power plant. This $880 million investment will create approximately 9 full-time jobs and 440 construction jobs. The project is currently in the pre-development stages.

- Silverado Power (SP Indigo Ranch I) - This project, located at I-10 and SR 77 in Chuckwalla, includes the construction of a 232 MW solar photovoltaic power plant. This $930 million investment will create approximately 9 full-time jobs and 465 construction jobs. The project is currently in the pre-development stages.

- Silverado Power (SP Indigo Ranch II) - This project, located at I-10 and SR 77 in Chuckwalla, includes the construction of a 167 MW solar photovoltaic power plant. This $670 million investment will create approximately 7 full-time jobs and 335 construction jobs. The project is currently in the pre-development stages.

- TRM 122, LLC - This project is located on the northwest corner of 62nd Avenue and Polk Street in the Thermal Redevelopment Project Area, and includes the construction of a 330 acre automobile race track. This $80 million investment will create approximately 120 full-time jobs and 40 construction jobs. The project is currently in plan check.

Table 1 below summarizes the level of investment allocated to businesses granted Fast Track status and the number of full-time and construction jobs created as a result of the level of investment.

Table 1

Company Name	Level of Investment	Number of Jobs Created
ColGreen Energy, LLC	$325,000,000	15
US Solar Holdings	$227,000,000	2
O'Reilly Automotive, Inc.	$5,000,000	8
Alere Property Group (Komar Distribution)	$1,750,000	200
Wintec Energy, Ltd./enXco, Inc.	$65,000,000	5
Renewable Resources Group (Project I)	$2,000,000,000	6
Mission Plaza	$34,000,000	200
Desert Sunlight Holdings	$1,500,000,000	15
Sunline Transit Agency	$5,000,000	265
Trammel Crow Company	$66,000,000	750
Gestamp Asetym North America, Inc.	$170,000,000	10
Renewable Resources Group (Project II)	$2,000,000,000	6
Silverado Power (SP Blythe I)	$880,000,000	9
Silverado Power (SP Indigo Ranch I)	$930,000,000	9
Silverado Power (SP Indigo Ranch II)	$670,000,000	7
TRM 122, LLC	$80,000,000	120
TOTALS	$8,958,750,000	1627

5. **Economic Development Cooperatives**

Agency participation and membership in regional associations set up under Federal programs assists in the encouragement of business growth in redevelopment areas through the development of incentives. In addition, participation in regional economic development cooperatives encourages a broad, long-term perspective on local development and growth. The Agency participated in the following associations over the past fiscal year.

a. **Economic Development Partnerships**

1) **Team Riverside County**
The Team Riverside County business attraction program had a banner year with cities, economic development corporations, public utilities, and private corporations. Twelve Riverside County cities and three other economic development partners/organizations participated in promoting Riverside County to over 70,000-80,000 business decision makers at nine industry trade shows and conferences.

2) **Economic Development Partners**
EDA has contributed over several hundred thousand dollars to the following regional and specialized agencies to provide additional programs and services that further EDA's economic development objectives:

i. Coachella Valley Enterprise Zone Authority
ii. Cal State San Bernardino-Spirit of the Entrepreneur Awards
iii. Inland Empire Economic Partnership (SBDC/Film Commission)
iv. Temecula Valley Wine Growers Association
v. Temecula Valley Balloon & Wine Festival Association
vi. 46th District Agriculture Association
vii. Coachella Valley Economic Partnership
viii. Tri-Tech Small Business Development
ix. Team California

C. PLANNING

As discussed in the Goals section of this report, planning activities consist of tasks that will effectuate the comprehensive planning, development, design, and redesign of project areas in such a manner as to facilitate a higher and better utilization of land uses in accordance with the Comprehensive General Plan. As shown below, the planning and development activities conducted by the Agency over the past year consisted of planning documents (feasibility studies, redevelopment plans, design guidelines, etc.). The Agency expended approximately $76,140 in planning activities during FY 2010-2011. Details of the planning activities are shown below.

1. **Murrieta Noise Study (1-1986)**

Start Date:	October 2010
Estimated Completion Date:	October 2011
Estimated Project Cost:	$ 15,000
FY 10/11 Expenditures:	$ 3,678
Location:	Downtown Murrieta

The project will encourage economic development and eliminate blight within the Project Area in attracting clientele to spur economic growth and encourage new businesses to invest in the Project Area. The Agency is providing funds from the Murrieta sub-area of Project Area 1-1986 to the City of Murrieta for the project. This project is an enforceable obligation.

2. **Cabazon Design Guidelines (MCPA)**

Start Date:	July 2010
Estimated Completion Date:	October 2011
Estimated Project Cost:	$ 38,500
FY 10/11 Expenditures	$ 38,186
Location:	Community of Cabazon

This project consists of developing design guidelines which includes a streetscape beautification plan for the area of Cabazon. Design guidelines include concepts for hardscape, landscaping, sidewalks, color schemes, and architectural styles. This project required community out-reach and participation in order to personalize accordingly to the unique desert region. This project is an enforceable obligation.

3. **Cabazon Waste Water Treatment Master Plan (MCPA)**

Start Date:	September 2007 (Design)
Estimated Completion Date:	October 2011
Estimated Project Cost:	$ 75,000
FY 10/11 Expenditures:	$ 0
Location:	Cabazon

In order to facilitate future development, the Agency will provide assistance to the local water district by funding the development of a waste water treatment master plan. The master plan is being developed, as a requirement, in connection to the Cabazon Sewer Project. The plan is a study that determines appropriate locations for needed sewer lines. This project is an enforceable obligation.

4. **Thousand Palms Design Guidelines (DCPA)**

Start Date:	September 2010
Estimated Completion Date:	February 2012
Estimated Project Cost:	$ 45,500
FY 10/11 Expenditures:	$ 31,943
Location:	Community of Thousand Palms

The purpose of the Thousand Palms Design Guidelines is to implement a set of design guidelines that will serve as a basis for future development in ways that will maintain and enhance the aesthetics of the area as well as the community's individuality. This project is an enforceable obligation.

5. **Highgrove Design Guidelines (Interstate 215 Corridor)**

Start Date:	Summer 2009
Completion Date:	September 2010
Project Cost:	$ 38,500
FY 10-11 Expenditures:	$ 2,333
Location:	Community of Highgrove

This project consisted of developing design guidelines for the Highgrove sub-area. Design guidelines include concepts for hardscape, landscaping, sidewalks, color schemes, and architectural styles. Agency staff closely coordinated with the Highgrove Municipal Advisory Council (MAC) for community outreach and participation in order to customize the design guidelines and take the community's needs into account. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

D. CAPITAL IMPROVEMENTS

As discussed in the Goals section, the purpose of capital improvement projects within Riverside County redevelopment project areas is to encourage better utilization of real property and stimulate new private enterprise investment. The Agency expended approximately $91,718,080 in capital improvement activities in FY 2010-2011.

1. Public Facilities

a. Eastvale Fire Station (JVPA)

Start Date:	September 2010 (Construction)
Estimated Completion Date:	September 2011
Estimated Project Cost:	$ 5,948,434 (Funded with Development Impact Fees)
FY 10/11 Expenditures:	$ 2,501,354
Project Location:	Hamner Avenue and Schleisman Road

The new and permanent Eastvale Fire Station will replace a previously constructed project on a temporary site with temporary trailers. The new facility will be 10,814 square feet and will have appropriate living spaces, a large three bay apparatus, office space, public lobby, full kitchen, dining area and ample room for equipment storage. The project is being funded through Development Impact Fees and is being constructed by the Agency. This project is an enforceable obligation.

b. Glen Avon Veterans of Foreign Wars (VFW) Rehabilitation (JVPA)

Start Date:	July 2009
Estimated Completion Date:	July 2011
Estimated Project Cost:	$ 1,948,100
FY 10/11 Expenditures:	$ 1,761,845
Location:	8607 Mission Boulevard

The Project consists of improvements to the kitchen, parking lot, the design and construction of ADA-compliant men's and women's restrooms, and underground utility piping servicing the restrooms. The improvements also include the design and construction of a new exterior façade, as well as new landscaping. This project is an enforceable obligation.

c. Rubidoux Child Development Center (JVPA)

Estimated Start Date:	July 2011
Estimated Completion Date:	June 2012 (Construction)
Estimated Project Cost:	$ 11,467,500
FY 10/11 Expenditures:	$ 858,842
Location:	Riverview, south of Mission Boulevard

The Agency, in cooperation with the Family Services Association, developed a plan to design and construct a new daycare center in the community of Jurupa Valley. The Rubidoux Child Development Center consists of the development of a 14,000 square foot facility. The project will include classrooms to care for approximately 200 children, ranging from three months to 12 years of age. Additionally, the project will provide before and after school programs for children ages five through twelve years old, with an emphasis on structured learning and socialization. This project is an enforceable obligation.

d. Rubidoux Community Library (JVPA)

Start Date:	November 2008
Completion Date:	September 28, 2010
Estimated Project Cost:	$14,500,000
FY 10/11 Expenditures:	$ 310,965
Location:	Southwest corner of Mission Boulevard and Riverview Drive

The Agency, in cooperation with the County's Department of Library Services, developed a plan to design and construct a new library in the community of Rubidoux. The plan included the acquisition of nine parcels totaling approximately six acres, relocation of residential tenants/owners and businesses located on the parcels, environmental review, geotechnical surveys, and preparation of plans and specifications for a 39,334 square foot library and administrative center. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

e. Jurupa Valley Sheriff's Evidence Warehouse (JVPA)

Start Date:	May 10, 2011
Completion Date:	October 2012
Estimated Project Cost:	$5,000,000
FY 10/11 Expenditures:	$ 267,395
Location:	7477 Mission Boulevard, Jurupa Valley

Since the opening of the Sheriff's facility in 1997, evidence laws have changed requiring greater retention periods for evidence as well as changes in forensic sciences which has increased what is classified as evidence. The existing evidence storage area has been filled to capacity and the sheriff's department has had to store evidence at off-site locations to meet their needs. This project will provide the sheriff's department with a new 10,000 square foot evidence warehouse, increased parking and added security to the facility to accommodate the increased traffic. This project is an enforceable obligation.

f. Cabazon Civic Center (MCPA)

Start Date:	January 2011 (Construction)
Estimated Completion Date:	December 2009 (Design) August 2012 (Construction)
Project Cost:	$ 10,000,000 (Estimated Construction) $ 1,996,256 (Design and Fees)
FY 10/11 Expenditures:	$ 435,556
Location:	Southeast corner of Broadway Street and Carmen Avenue

Currently under construction, this project includes the master planning, design, and construction of a 12 acre civic center in the community of Cabazon. Proposed facilities for the Cabazon Civic Center are a library, child care center, water district administrative building, two basketball courts, tot lot, skate park, park maintenance building, and open turf area. This project is an enforceable obligation.

g. Hemet Service Center (MCPA)

Start Date:	February 2009 (Design)
Completion Date:	October 2011 (Construction)
Estimated Project Cost:	$ 2,501,985
FY 10/11 Expenditures:	$ 0
Location:	749 N. State Street, Hemet

The renovated facility will house the Workforce Development Center (WDC) and provide needed space for other essential senior service programs for the community. The reconfigured interior will include conference rooms, offices, storage space, restrooms, activity areas, a kitchen/break room, as well as electrical and plumbing improvements. The exterior improvements include parking, vehicular, and pedestrian flow, landscaping, drainage, signage, and other improvements. This project is an enforceable obligation.

h. Mecca Boys and Girls Club (DCPA)

Start Date:	April 2010
Estimated Completion Date:	November 2011
Estimated Project Cost:	$ 7,735,934
FY 10/11 Expenditures:	$4,635,501
Location:	91-391 Avenue 66

This project includes the construction of a Boys and Girls Club immediately adjacent to the Mecca Family Service Center and Community Health Clinic. The facility will include an indoor facility consisting of a basketball/volleyball gymnasium, a teen center, two homework centers with a central computer lab, a workout room, boxing club, arts center and an outdoor garden and patio. This project is an enforceable obligation.

i. Mecca Fire Station (DCPA)

Start Date:	January 2011 (Construction)
Estimated Completion Date:	June 2012
Estimated Project Cost:	$ 5,965,075
FY 10/11 Expenditures:	$1,193,013
Location:	91-350 Avenue 66, Mecca

This project includes the new construction of a replacement facility immediately adjacent to the Mecca Community Library and Riverside County Sheriff Office. The construction includes a 12,900 square foot building (three bays and eight bed dormitory), onsite parking, outdoor hose drying rack, trash enclosures, fuel tanks, and an emergency generator. The construction will replace an obsolete facility located on 4th Street. The intent is to demolish the obsolete structure when it becomes vacant. Once the 4th Street location has been cleared of all structures, it may be developed as in-fill affordable housing. This project is an enforceable obligation.

j. Mecca Post Office (DCPA)

Start Date:	August 2011 (Design)
Estimated Completion Date:	December 2011 (Design and Construction Documents)
Estimated Project Cost:	$ 196,560 (Design)
FY 10/11 Expenditures:	$ 0
Location:	Date Palm and Second Street, Mecca

The Mecca Post Office Project is part of an overall redevelopment effort in the community of Mecca known as the Mecca Downtown Revitalization. Currently, the post office is located in a substandard building with insufficient capacity for its services. The current location is the preferred project site for this project. Demolition of an existing structure is pending. An architect has been contracted and design is underway. This project is an enforceable obligation.

k. Mecca Senior Center (DCPA)

Start Date:	2006 (Acquisition)
Estimated Completion Date:	2012 (Acquisition and Clearance)
Estimated Project Cost:	$ 2,500,000 (Construction)
FY 10/11 Expenditures:	$ 12,998
Location:	Northwest Corner of Date Palm and Avenue 66

This project will deliver a center that will provide services to seniors in the Mecca community and surrounding areas. The project requires purchase of two remaining parcels and remediation of contaminated soils. The site acquisition and environmental work are underway. Construction of this project is on hold pending the outcome of legislation.

l. North Shore Fire Station (DCPA)

Estimated Start Date:	July 2010 (Design)
Estimated Completion Date:	December 2011 (Construction Documents)
Estimated Project Cost:	$ 356,758
FY 10/11 Expenditures:	$ 130,316
Location:	Corner of Covina Drive and Vander Veer Road

The project includes the construction of a replacement fire station. The new facility will replace an outdated and inadequate structure at the same location. The scope includes an approximate 6,728 square foot facility (two bay and six bed dormitory), onsite parking, outdoor hose drying rack, trash enclosures, fuel tanks, and emergency generator. This project is an enforceable obligation.

m. Oasis Fire Station (DCPA)

Start Date:	November 2010 (Design)
Estimated Completion Date:	November 2012 (Construction)
Estimated Project Cost:	$ 4,500,000
FY 10/11 Expenditures:	$215,627
Location:	Oasis - Vicinity of Harrison and Avenue 71

The project consists of the purchase of a site, and the design and construction of a two bay, 6,500 square foot rural fire station to replace the existing condemned station at Harrison Street and Avenue 76 within the community of Oasis. Demolition of the existing station is also a part of this project. Construction of this project is on hold pending the outcome of legislation.

n. Roy Wilson Fire Station and Roy Wilson Training Center (DCPA)

Start Date:	July 2008
Completion Date:	October 2009
Estimated Project Cost:	$12,000,000
FY 10/11 Expenditures:	$ 35,345
Location:	Ramon Road and Robert Road, Thousand Palms

This project included the construction of a three bay, single story fire station, a training center and a training tower. The Agency purchased a three acre site in Thousand Palms for the project. The project also included the demolition of the dilapidated fire station that had been located on La Cañada Way. Expenditures over the past fiscal year were incurred for final close out items. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

o. Thermal Aviation Education Center (DCPA)

Start Date:	2007
Estimated Completion Date:	November 2011 (Sheriff's Aviation Facility Only)
Estimated Project Cost:	$ 26,000,000
FY 10/11 Expenditures:	$ 1,747,842
Location:	86-675 Airport Boulevard, Thermal

This project consists of a single story, 20,000 square foot aviation education center with library, exhibit hall, auditorium, classrooms, and offices. The project also includes two 12,000 square foot hangars and a 1,000 square foot storage loft. A 7,000 square foot sheriff's aviation unit office with an adjacent heliport, hangar and a 12,000 gallon AV fuel station is currently under construction as the Sheriff's Aviation Facility. The Aviation Education Center project is on hold pending tenants and the outcome of legislation. Construction of the Sheriff's Aviation Facility is an enforceable obligation.

p. Thermal Fire Station (DCPA)

Start Date:	July 2010
Estimated Completion Date:	September 2011
Estimated Project Cost:	$ 4,100,000 ($1.1 mil Redevelopment, $3 mil Development Impact Fee Funds)
FY 10/11 Expenditures:	$1,898,278
Location:	86-911 Avenue 58, Thermal

This project consists of a new 9,200 square foot regional fire station containing three bays (expandable to five bays) and 14 beds on approximately 1.2 acres. Construction has begun on the facility. This project is an enforceable obligation.

q. Thermal Library and Community Center (DCPA)

Start Date:	March 2010 (Master Planning of Site)
Estimated Completion Date:	June 2013 (Construction)
Estimated Project Cost:	TBD
FY 10/11 Expenditures:	$ 6,343
Location:	Southeast corner of Church and Olive Streets in Thermal

The project consists of the acquisition of a five acre site and master planning it to accommodate a variety of uses, including a Library and a Community Center. In addition to developing a master plan, this year's costs include professional surveying services to prepare plat map, legal description and ALTA survey for the five acre site and the relocation of the irrigation supply pipeline. The master plan for the site has been completed, and the next phase of the project is the design development of the library. Development of the project is on hold pending outcome of legislation.

r. Thermal Sheriff Station, Forensics Laboratory and Evidence Storage Facility (DCPA)

Start Date:	December, 2009
Estimated Completion Date:	November 2011
Estimated Project Cost:	$ 44,073,671
FY 10/11 Expenditures:	$ 3,794,393
Location:	86-625 Airport Boulevard, Thermal

The Agency is constructing a new facility in the community of Thermal to improve and enhance services to address health and safety issues in the Desert Communities Project Area. There will be a single story, 77,000 sq. ft. sheriff's station with forensic lab and 12,000 gallon vehicle fueling station on 10 acres. The project is under construction and it is anticipated that the project will be completed by the end of November 2011. This project is an enforceable obligation.

s. Heritage High School Stadium Scoreboards and Marquee (Interstate 215 Corridor)

Start Date:	July 31, 2007
Estimated Completion Date:	May 24, 2011
Estimated Project Cost:	$ 138,000
FY 10/11 Expenditures:	$ 89,648
Location:	Heritage High School – 26001 Briggs Road in Romoland

This project consisted of the procurement and installation of three state of the art digital scoreboards and a marquee for use at facilities at the new Heritage High School. The digital scoreboards were installed in 2009, and the marquee in 2011. This project is now complete. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

t. Highgrove Library (Interstate 215 Corridor)

Start date:	July 2009 (Design-Build)
Estimated Completion Date:	March 2011
Estimated Project Cost:	$ 4,354,577
FY 10/11 Expenditures:	$ 2,052,435
Location:	Center Street and Michigan Ave.

The Agency purchased land to build an approximately 7,500 square foot library to serve the residents of Highgrove. The library has two study rooms, a multipurpose room and areas for children and teen spaces. The project was built to obtain a minimum Leadership in Energy and Environmental Design (LEED) certification. The project is complete. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

u. Mead Valley Library (Interstate 215 Corridor)

Start Date:	August 2010
Estimated Completion Date:	September 11, 2012 (Construction)
Estimated Project Cost:	$ 13,385,000
FY 10/11 Expenditures:	$ 589,392
Location:	Clark St. & Oakwood St.

The library will be developed on a 3.24-acre property at the northeast corner of Clark Street and Oakwood Street in the unincorporated community of Mead Valley. The proposed project involves the design and construction of a state-of-the-art full service library. The facility will consist of a 17,500 square foot library and a 5,000 square foot attached community room. The full scope of construction will include a parking lot, landscaping, lighting, community garden, courtyard, walking path, bus stop and associated off-site infrastructure improvements. This project is an enforceable obligation.

v. Mead Valley Community Center (Interstate 215 Corridor)

Start Date:	August 31, 2010
Estimated Completion Date:	March 2013
Estimated Project Cost:	$20,652,500
FY 10/11 Expenditures:	$ 1,944,099
Location:	Rider Street between Brown Street and Lee Street

The proposed project involves the demolition of the existing facilities and the design and construction of a new full service community center facility consisting of approximately 38,958 square feet. Child care classrooms, a community room, a senior center, a medical/dental clinic, a baseball field, a basketball court, a community garden, a tot-lot, parking lot, landscaping, and off-site street and sewer infrastructure improvements will be constructed as part of the project. This project is an enforceable obligation.

w. Mead Valley Code Enforcement Project (Interstate 215 Corridor)

Start Date:	July 27, 2010 (RFQ) May 17, 2011 (BOS)
Estimated Completion Date:	September 2012 (Construction)
Estimated Project Cost:	$5,000,000
FY 10/11 Expenditures:	$ 77,270
Location:	19450 Clark Street, Mead Valley

The proposed project consists of a 10,000 square feet facility with six closed offices and 22 systems furniture stations. Conference facilities, work rooms, staff officer's changing rooms, break room, data/IT room, and public reception areas are provided. Covered parking stalls are also provided for staff and county vehicles, which are secured from the public. The purpose of the project is to eliminate present blight and add value to the Mead Valley sub-area and prevent any potential blight in the future. By upgrading the aesthetics, we will minimize any potential issues regarding health, safety, and welfare of the public. The construction of the new building for code enforcement would benefit the area and the surrounding community to deter the incidence of breaking and entering, and disorderly conduct, and the Code Enforcement Department's presence will allow local services such as community outreach and other programs. This project is on hold pending the outcome of legislation.

x. Marion V. Ashley Community Center (Interstate 215 Corridor)

Estimated Start Date:	August 2009 (Construction)
Estimated Completion Date:	May 2011
Estimated Project Cost:	$ 8,500,000
FY 10/11 Expenditures:	$ 635,198 (Interstate 215 Corridor)
FY 10/11 Expenditures:	$ 3,241,900 (MCPA)
Location:	Briggs Road, Menifee

This project benefits the Romoland and Homeland project areas by providing a 15,000 square foot community center and a 10,000 square foot child care center on a 12-acre site. The project includes various recreational opportunities such as ball fields, dual age play areas, and picnic and shade structures. The facility was built to obtain a Silver Leadership in Energy and Environmental Design (LEED) certification. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

2. Parks and Trails

a. El Cerrito Sports Park (1-1986)

Start Date:	December 2008
Completion Date:	November 2, 2010
Estimated Project Cost:	$ 13,526,170
FY 10/11 Expenditures:	$ 333,791
Location:	Northwest corner of El Cerrito Road and the I-15 Freeway

This 21 acre local community sports park and recreation facility consists of four full size baseball/softball fields, including a multi-use field, two full size soccer fields, two full-size basketball courts, tennis courts, restrooms, sports lighting, tot lots, concession stand, fencing, landscaping and associated parking. The project is complete. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

b. Lakeland Village/Wildomar Trails Project (1-1986)

Start Date:	July 2007
Completion Date:	To Be Determined
Estimated Project Cost:	$ 400,000
FY 10/11 Expenditures:	$ 2,323
Location:	Lakeland Village/Wildomar

This trail project will benefit the community by providing a safe, multi-use pathway for pedestrians, bicyclists and equestrian use. The graded trails with associated fencing will be constructed within various areas throughout the sub-area. This project is an enforceable obligation.

c. Perret Park Phase II Improvement Project (1-1986)

Start Date:	July 2009
Completion Date:	December 2011
Estimated Project Cost:	$ 858,900
FY 10/11 Expenditures:	$ 63,948.07
Location:	32938 Perret Park Boulevard, Lakeland Village

This project consists of the construction of additional amenities to the existing park in order to provide more leisure, recreational, and entertainment opportunities to the residents of Lakeland Village and Wildomar. Additional amenities include picnic benches, picnic shelters, barbeque grills, a canopy over the existing playground, and landscaping improvements. This project is an enforceable obligation.

d. Deleo Regional Sports Park (1-1986)

Start Date:	December 2007
Completion Date:	July 2012
Estimated Project Cost:	$10,000,000
FY 09/10 Expenditures:	$ 727,498
Location:	25655 Santiago Canyon Road, Corona

The 25-acre sports park facility will include playground areas, picnic areas, two lighted baseball/softball diamond, two basketball courts, one tennis court, seven soccer fields, regional trail, and dog park. The park will also include a parking lot, restroom building, concession stand building, perimeter fencing, landscaping, and other related improvements. This project is an enforceable obligation.

e. Jurupa Valley Aquatic Center (JVPA)

Estimated Start date:	August 2009 (Construction)
Estimated Completion date:	May 2011
Estimated Project Cost:	$ 19,800,000
FY 10/11 Expenditures	$ 5,910,769
Location:	Camino Real and Mission Blvd.

The Agency constructed a recreational aquatic facility on nine acres that consist of a 25 by 35 yard competition pool, continuous flow river, flow rider, children's water playground area, three water slides with a recreational pool, as well as an 11,000 square foot administrative/operations building, Also within the premises, the facility has grass areas for seating, stadium seating, concession stand and multiple picnic areas with permanent shade structures. The project is complete. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

f. Rancho Jurupa Park, Phase III (JVPA)

Start Date:	June 2010
Completion Date:	March 15, 2011
Project Cost:	$ 1,000,000
FY 10/11 Expenditures:	$ 1,000,000
Location:	Rancho Jurupa Park, 4800 Crestmore Rd, Riverside

The Agency and Parks District determined that there was a great need for improvements to the Rancho Jurupa Park located at 4800 Crestmore Road, Riverside, California in the Jurupa Valley Redevelopment Project Area. Specific improvements include the reshaping and regrading of areas within the park for compliance with the provisions of the Water Quality Management Plan. Additional improvements included construction of 6 new rental cabins, a new disk-golf course, a new rock-climbing feature, a combination storage building/small office structure, and landscaping. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

g. Rancho Jurupa Regional Sports Complex (JVPA)

Start Date:	July 2008
Completion Date:	January 2012
Estimated Project Cost:	$ 14,000,000
FY 10/11 Expenditures:	$ 3,201,071
Location:	Jurupa Valley

The Rancho Jurupa Regional Sports Complex (RJRSC) has been designed on approximately 36 acres which is contiguous to the Jurupa Valley Redevelopment Project

Area, immediately north of the intersection of Loring Ranch Road and Crestmore Road, in the [unincorporated community of Riverside County]. The RJRSC will include 15 soccer fields of varying sizes and two different types of turf. RJRSC also includes one large, one moderate, and six small picnic shelters, which will accommodate a total of approximately 238 people, a concession/restroom building, and a perimeter park concrete walk. This project is an enforceable obligation.

h. Vernola Park Phase II of Vernola Basin Project (JVPA)

Start Date:	October 2008
Completion Date:	June 29, 2010
Project Cost:	$ 9,586,000
FY 10/11 Expenditures:	$ 333,153
Location:	Bellegrave and Wineville Avenue

The Agency has completed the construction of the Vernola Family Park, which is located in an existing detention basin. The park, which is approximately 21 acres, includes a concession/restroom facility, picnic shelters, baseball fields, basketball courts and a dual age play area. The project also included street improvements, including street realignment, traffic signal and beautification. Expenditures over the past fiscal year were incurred for final close out items. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

i. Quechan Marina and Park Improvements (DCPA)

Start Date:	July 2011 (Construction)
Estimated Completion Date:	June 2012
Project Cost:	$213,000
FY 10/11 Expenditures:	$ 0
Location:	3700 Colorado River Road, Blythe

The County-owned Quechan Marina and Park lies on 27.4 acres fronting the Colorado River within the East Blythe sub-area and the City of Blythe city limits. The City of Blythe operates the marina and park under a lease agreement with the County. The park requires new amenities and equipment to improve the physical facilities to enhance the recreational experience of residents. The proposed improvements include restrooms, playground equipment, covered picnic areas, and paving the entrance and parking lot. The City of Blythe was awarded a competitive grant in the amount of $500,000 from the State of California's State Parks Program, which requires a grant match of $213,000. The City will provide complete oversight for the construction of the improvements for the project including compliance with all local, state, and federal laws and regulations. Upon completion of the improvements, the Agency will reimburse the City for all approved expenditures. This project is an enforceable obligation.

j. Thermal Pocket Park (DCPA)

Start Date:	August 2009 (Architectural Phase)
Estimated Completion Date:	May 2012
Project Cost:	$18,600 (Design)
	$548,578.75 (Construction)
FY 10/11 Expenditures:	$ 9,540
Location:	Thermal

The proposed park has been identified as a community need; there are very limited recreational facilities in or nearby the community. The park will provide recreational opportunities that will benefit and enhance the quality of life of the residents. The proposed park will also help to eliminate blight by preventing further illegal dumping activities and will help in the revitalization of the substandard physical and economic conditions that exist within the community. This project is a component of the Thermal Street Improvements, and is therefore an enforceable obligation.

k. Eller Park Project (Interstate 215 Corridor)

Start Date:	December 2006 (Design)
Estimated Completion Date:	January 2011 (Construction)
Project Cost:	$ 370,068 (Design and Fees)
	$ 2,250,300 (Construction Contract and Contingency)
FY 10/11 Expenditures:	$ 308,313
Location:	Antelope Road and Highway 74, Romoland

This project included the design and construction of a 5.24-acre park in the community of Romoland. Eller Park consists of a baseball/softball diamond, two half-court basketball courts, multi-age playground area, picnic areas, decomposed granite walking trail, restroom/concession stand, and a parking lot. The expenditures over the course of the past fiscal year include design and engineering services, plan check fees, environmental fees and construction costs. The project is completed. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

l. Pinewood Park (Interstate 215 Corridor)

Start Date:	November 2008
Completion Date:	August 2010
Estimated Project Cost:	$ 128,590
FY 10/11 Expenditures:	$ 12,827
Location:	Northeast corner of Clark and Pinewood, Mead Valley

This project includes design and construction of an 18,000 square feet passive park in the community of Mead Valley. Pinewood Park consists of a shade structure, a picnic table and benches. The purpose of this project is to provide a leisure area for parents while waiting to pick-up their children from Columbia Elementary School located across the street. The project is complete. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

m. Rancho Ramona Park (Interstate 215 Corridor)

Start Date:	April 2008
Completion Date:	August 16, 2010
Project Cost:	$ 866,890
FY 10/11 Expenditures:	$ 5,188
Location:	28050 Encanto Drive, Menifee

The project consists of a complete rehabilitation and revitalization of the current 1.87-acre park to include the demolition of the existing landscape and shade structures, along with the addition of the following amenities: basketball and volleyball courts, a walking trail, drinking fountains, new tot lots for children, a horse shoe area, barbeque pits, shade structures, external lighting, and new landscaping and signage. The project is complete. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

n. Perris Valley Aquatic Center (Interstate 215 Corridor)

Estimated Start Date:	August 2011 (Design-Build)
Estimated Completion Date:	Spring 2013
Estimated Project Cost:	$ 25,000,000
FY 10/11 Expenditures:	$108,995
Location:	Trumble Road and Vista Road, Perris

This project benefits the Romoland project area by providing a 50-Meter competition pool with 1 and 3 meter diving boards as well as a double Wave Rider, lazy river, children's water play area, a lagoon pool, and sheltered picnic areas and concessions. The 12 acre site proposes also to have a 10,000 square foot administrative and locker room building. This project includes various recreational opportunities to benefit all age groups such as swimming, diving, water polo, water aerobics, and swim lessons. The facility will be built to obtain a Silver Leadership in Energy and Environmental Design (LEED) certification. This project is an enforceable obligation.

3. Infrastructure Improvements

a. El Cerrito Reclaimed Water Line (1-1986)

Start Date: August 10, 2010
Completion Date: FY 2010-2011
Project Cost: $ 1,250,000
FY 10/11 Expenditures: $ 1,250,000
Location: El Cerrito Road/Foothill Parkway from Bedford Canyon to California Avenue

This project is a funding agreement between the Redevelopment Agency for the County of Riverside and the City of Corona in which the Redevelopment Agency was to provide funding for the construction of a reclaimed water line that will directly benefit and serve El Cerrito Sports Park, recently built by the Agency in 2010. The water line is providing reclaimed water for the landscape and maintenance of the park. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

b. El Cerrito Road Beautification (1-1986)

Start Date: July 2002 (Design)
Estimated Completion Date: Winter 2012
Estimated Project Cost: $ 5,341,755
FY 10/11 Expenditures: $ 25,805
Location: El Cerrito Road between I-15 and Temescal Canyon Road

Plans are complete and a construction contract is in place for a storm drain; median; street improvements including curb, gutter, sidewalk; and installation of a traffic signal. These improvements are located along El Cerrito Road, from Temescal Canyon Road to Interstate 15. The project is designed to beautify a major entry into the community of El Cerrito. We are currently pursuing final required permits in order to begin construction. This project is an enforceable obligation.

c. Grand Ave and Blackwell Boulevard Signalization Project (1-1986)

Start Date: May 18, 2010
Estimated Completion Date: May 2012
Project Cost: $ 500,000
FY 10/11 Expenditures: $ 15,656
Location: Intersection of Grand Ave and Blackwell Blvd

The project consists of a traffic signal, safety lighting, and associated street improvements at the intersection of Grand Avenue and Blackwell Boulevard in the community of Lakeland Village. This project will assist in alleviating blighting conditions by constructing the necessary improvements that will enhance the flow of traffic and improve pedestrian safety for the residents of Lakeland Village and Wildomar. The Riverside County Transportation Department will manage the design and construction of the project, while the Redevelopment Agency will act as the funding entity. This project is an enforceable obligation.

d. Marna O'Brien Park Bio-Swale Improvement (1-1986)

Start Date:	December 2008 (Design)
Completion Date:	September 2010
Project Cost:	$ 129,737
FY 10/11 Expenditures:	$ 7,600
Location:	Palomar Street between Kirkwood Court and Bryant Street

The project is located in the City of Wildomar. The project consists of the construction of a bio-swale along the front perimeter of Marna O'Brien Park. The purpose of the project is to treat all on-site drainage and to mitigate the pollutants of concern prior to reaching Lake Elsinore. The project is complete. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

e. Murrieta Street Improvement (1-1986)

Start Date:	July 2006
Estimated Completion Date:	To Be Determined
Project Cost:	$ 2,021,356
FY 10/11 Expenditures:	$ 0
Location:	Plum Avenue and Juniper Street

This project will help improve drainage and street conditions for the historic Downtown Streets, Plum Avenue and Juniper Street. Improving street conditions will draw shoppers to the area and subsequently reduce vacancy rates and vacant parcels. The City of Murrieta is currently constructing the project and the Redevelopment Agency is assisting the City by reimbursing for the expenses. This project is an enforceable obligation.

f. Temescal Canyon Road Widening Project Phase I (1-1986)

Start Date:	May 2010
Estimated Completion Date:	December 2011
Estimated Project Cost:	$ 425,089 (Design) $6,000,000 (Construction)
FY 10/11 Expenditures:	$ 261,616
Location:	Temescal Canyon Road (between the southern limits of Wildrose Business Park and Dawson Canyon Road)

This project will widen Temescal Canyon Road to four lanes in the unincorporated community of Temescal Valley from the southern limits of Wildrose Business Park to Dawson Canyon Road. The road segment is approximately one half of a mile long. The proposed road improvement project will include road widening to four lanes, curb, gutter, and sidewalk improvements; wet and dry utility relocations; flood control improvements and a signal modification and relocation at the intersection of Dawson Canyon Road and Temescal Canyon Road. Additionally, realignment alternatives will be prepared and evaluated to upgrade the northern segment of the project limits to meet current standards on speed limit and sight visibility distances. Design for this project is an enforceable obligation. Funding for construction of the project is on hold pending the outcome of legislation.

g. Temescal Canyon Road Widening Project Phase II (1-1986)

Start Date:	June 2011
Estimated Completion Date:	June 2012
Estimated Project Cost:	\$345,760 (Design) \$4,000,000 (Construction)
FY 10/11 Expenditures:	\$ 0
Location:	Temescal Canyon Road (between Weirick Road and Leroy Road)

Phase II of the project will complete the road widening of Temescal Canyon Road to four lanes in the unincorporated community of Temescal Valley from Weirick Road to Leroy Road, which is approximately one mile in length, adjacent to Wildrose Business Park. The proposed road improvement project will include road widening to four lanes, curb, gutter, and sidewalk improvements; wet and dry utility relocations; and flood control improvements. This project is on hold pending the outcome of legislation.

h. 26th and Avalon Street Improvements (JVPA)

Start Date:	April 2010
Estimated Completion Date:	TBD – currently on hold
Estimated Project Cost:	\$ 700,000
FY 10/11 Expenditures:	\$ 25,296
Location:	26th Street and Avalon Street

The purpose of this project is to improve both vehicular and pedestrian safety along Avalon Street and a portion of 26th street. The project includes utility relocation, curb, gutter, and sidewalk improvements along with street paving and striping. The project is currently on hold pending the outcome of legislation.

i. Ash Street Road Paving Project (JVPA)

Start Date:	November 2010
Completion Date:	January 2011
Project Cost:	$ 85,000
FY 10/11 Expenditures:	$ 54,747
Location:	Ash Street from 58th Street to 59th Street

This project is a joint venture between RDA and County Transportation to improve public safety and vehicular traffic flow along Ash Street in the unincorporated community of Mira Loma. The project includes construction of a 650 foot by 26 foot roadway from 58th Street to 59th Street along Ash Street. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

j. Ben Nevis Boulevard Street Improvement Project (JVPA)

Start Date:	June 2011
Estimated Completion Date:	August 2011
Project Cost:	$ 296,000
FY 10/11 Expenditures:	$ 72,705
Location:	Ben Nevis Boulevard

The purpose of this project was to improve both vehicular and pedestrian safety in the community of Glen Avon. The project consisted of constructing approximately 1,800 lineal feet of concrete curb, gutter, and sidewalk from Conning Street to 200 feet Easterly of Lindsay Street and asphalt paving along the South side of Ben Nevis Boulevard. This project was a joint venture between RDA and County Transportation. This project is an enforceable obligation.

k. Clay Street Railroad Separation Project (JVPA)

Start Date:	July 21, 2009 (design)
Estimated Completion Date:	July 2014 (construction)
Project Cost:	$ 625,000
FY 10/11 Expenditures:	$ 472,178
Location:	General Drive to Linares Ave

A Union Pacific Railroad crossing currently exists at grade on Clay Street just East of Van Buren Boulevard in the Pedley area. There are plans to increase the number of freight and passenger trains in the area, causing frequent interruption in the normal flow of highway traffic, congestion in the area, as well as a potential increase in train/vehicle accidents. The purpose of this project is to create a grade separation from the railroad tracks to improve safety and traffic flow from General Drive to Linares Ave. County Transportation Department received federal funding in support of this project. RDA assisted in providing funding to County Transportation for the environmental and design work. Construction of the project is scheduled to begin in December 2012. This project is an enforceable obligation.

l. La Rue Street Improvements (JVPA)

Start Date:	June 2007
Completion Date:	December 7, 2010
Estimated Project Cost:	$ 885,470
FY 10/11 Expenditures:	$ 588,843
Location:	La Rue Street and Mustang Lane, Jurupa Valley

The Agency identified the need to improve pedestrian access and drainage conditions along La Rue Street from Mustang Lane and continuing north to La Canada Street, in the, then, unincorporated community of Rubidoux. On July 1, 2011, the City of Jurupa Valley incorporated; the community of Rubidoux is now within the City limits. The community and area surrounding the project have experienced increased pedestrian and vehicular traffic due to steady population growth. This project included construction of new infill sidewalks, curb, and gutter improvements along both east and west sides of La Rue Street, railroad crossing improvements, and new road surfaces on both La Rue and Mustang Lane. The project is complete. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

m. Limonite Street Improvements (JVPA)

Start Date:	December 2002 (Design)
Completion Date:	October 27, 2009 (Construction)
Estimated Project Cost:	$ 2,911,661
FY 10/11 Expenditures:	$ 38,603
Location:	Limonite Avenue from Archer to Downey

The project consisted of curb, gutter, and sidewalk improvements, storm drain upgrade, complete removal and placement of existing street, and restriping on Limonite Avenue from Archer to Downey. A traffic signal was also added at the intersection of Felspar Street and Limonite Avenue, and landscaping improvements were done at 928 Limonite Avenue. Construction of the improvements was completed in October 2009, but final close out expenses were incurred in FY 10-11. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

n. Market Street, Rubidoux Boulevard, Agua Mansa Improvements (JVPA)

Start Date:	June 28, 2011
Completion Date:	Spring 2013
Estimated Project Cost:	$ 2,397,000
FY 10/11 Expenditures:	$ 26,518
Project Location:	Market Street, Rubidoux Blvd, and Agua Mansa Road

This is a joint venture between RDA and County Transportation Department to improve Market Street, Rubidoux Boulevard, and Agua Mansa Road in the community of Belltown. The purpose of this project is to eliminate blight within the project area by accommodating the increased volume of traffic, increased traffic efficiency, and improve public safety by widening the street, re-striping the roadway, constructing medians, and installing traffic signals. Work also includes the construction of curb, gutter, and sidewalk along this portion of the project area that is currently characterized by intermittent sidewalks, dirt frontages, and lacks adequate traffic signal operations. This project was previously known as the Market Street Improvements project, which was originally known as the Rubidoux Boulevard Phase 3 project. The original cost of the project was $230,000, but it increased due to changes in the magnitude of the scope, which involved a larger area of improvements. This project is an enforceable obligation.

o. Mission Boulevard Phase 3 Streetscape Improvements (JVPA)

Start Date:	Summer 2002
Estimated Completion Date:	December 2011
Estimated Project Cost:	$7,500,000
FY 10/11 Expenditures:	$ 392,315
Project Location:	Mission Boulevard between Crestmore Road and Riverview Drive

This project is located in the community of Rubidoux within the Jurupa Valley Redevelopment Project Area. The original scope of the Project provided streetscape improvements to Mission Boulevard and will complement the improved landscaped center median on Mission Boulevard from Crestmore Road to Riverview Street with bus shelters, tree wells, landscaped pop-outs, on-street parking improvements, decorative sidewalks, decorative pedestrian lighting, street furniture, and trash containers. The project length is approximately 10,500 linear feet. The original scope of the project has been completed. Currently, a total of 58 median streetlights are being installed by Southern California Edison, on behalf of the Agency, as part of this project. Minimal additional electrical infrastructure is required in order to complete the installation of the streetlights. All work is expected to be completed by the end of 2011. This project is an enforceable obligation.

p. Mission Boulevard Phase 5 Streetscape Improvements (JVPA)

Start Date:	October 2010
Estimated Completion Date:	October 2011
Estimated Project Cost:	$ 7,000,000
FY 10/11 Expenditures:	$ 3,696,655
Project Location:	Mission Blvd between La Rue Street and Valley Way

This project is located in the, then, unincorporated community of Rubidoux within the Jurupa Valley Redevelopment Project Area. On July 1, 2011, the City of Jurupa Valley incorporated; the community of Rubidoux is now within the City limits. The project provides streetscape, landscaping, and lighting improvements along Mission Boulevard from approximately 100 feet west of La Rue Street to Valley Way. Improvements include curb, gutter, sidewalks, landscaped medians, and street lighting. This project is an enforceable obligation.

q. Mission Boulevard Phase 6 (JVPA)

Start Date:	Not Available
Estimated Completion Date:	Not Available
Estimated Project Cost:	$ 9,000,000
FY 10/11 Expenditures:	$ 7,352
Location:	Mission Boulevard from Valley Way to Pedley Road

This project will provide curb, gutter, sidewalk, and landscape median improvements along Mission Boulevard, from Valley Way to Pedley Road. This project requires a voter approved Landscaping and Lighting Maintenance District (LLMD) assessment prior to construction. This project is currently on hold pending outcome of redevelopment legislation.

r. Pyrite Street Improvements (JVPA)

Start Date:	June 2010 (Design)
Estimated Completion Date:	January 2012 (Construction)
Estimated Project Cost:	$ 1,500,000
FY 10/11 Expenditures:	$ 355,962
Location:	Portion of Pyrite Road from the intersection of Mission Boulevard to the intersection of Jurupa Road [in the City of Jurupa Valley]

The Agency has identified the need to improve pedestrian access and drainage conditions along Pyrite Avenue from Mission Boulevard to Jurupa Road in the previously unincorporated community of Glen Avon. On July 1, 2011, Jurupa Valley incorporated; Glen Avon is within the City limits. The existing roadway is also not fully improved and has deteriorated due to the lack of an appropriate drainage facility and heavy traffic usage.

The Pyrite Avenue Street, Sidewalk, and Storm, Drain Improvement Project will assist in community revitalization efforts and provide additional benefits to Glen Avon Elementary School as well as residents of Jurupa Valley. Construction of this project is on hold pending the outcome of legislation.

s. Rubidoux Area 2 Street Improvements Project (JVPA)

Start Date:	March 2002 (Design)
Estimated Start Date:	March 2012 (Construction)
Estimated Completion Date:	March 2013
Estimated Project Cost:	$ 423,495 (Design Only)
FY 10/11 Expenditures:	$ 98,698
Project Location:	34th, 35th, 36th and 37th Streets, Daly Avenue, Wallace Street, Odell Street and Crestmore Road bordered by 34th street on the north, Mission Boulevard on the south, Crestmore on the east and Wallace on the west

The Agency hired an engineering consulting firm to develop the plans and specifications for the construction of curb, gutter, sidewalks, street lighting, driveways, paving and major flood control facilities along the targeted project area improvements. Construction of this project is on hold pending the outcome of legislation.

t. Rubidoux Area 3 Street Improvements Project (JVPA)

Start Date:	September 2010 (Group 1), Summer 2012 (Group 2)
Estimated Completion Date:	Winter 2011 (Group 1), Winter 2012 (Group 2)
Estimated Project Cost:	$ 3,496,000 (Group 1)
FY 10/11 Expenditures:	$ 2,799,163
Project Location:	Tilton Avenue, Briggs Street, Leigh Street, Pontiac Avenue, Rubidoux Boulevard, Fort Drive, Twining Avenue, Molino Way, 42nd Street, Mennes Avenue, Wallace Street, Capary Road, Carol Way, and Pacific Avenue

This project includes curb, gutter, sidewalks, and driveways, paving improvements and improved street lighting. The project is being separated into two groups in order to speed the construction and completion of the first group in areas with limited obstructions. This is an enforceable obligation.

u. Rubidoux Boulevard Street Improvements Phase I, II, III (JVPA)

Start Date:	March 2009
Completion Date:	February 8, 2011
Estimated Project Cost:	$ 1,886,839
FY 10/11 Expenditures:	$ 462,565
Project Location:	Rubidoux Boulevard from Mission Boulevard to State Highway 60

This project has been developed to construct infill sidewalks and replace unusable portions of existing sidewalk. This project has been divided into three phases in order to expedite design, development, and construction. The limits of the phases are as follows: Phase I – Rubidoux Boulevard from 30th Street to 24th Street; Phase II – Rubidoux Boulevard from Mission Boulevard to State Route 60; Phase III – Rubidoux Boulevard from 24th Street to Avalon Street and along Market Street from Rubidoux Boulevard to Agua Mansa. Phase I was completed on June 15, 2010; Phase II was completed on February 8, 2011. Phase III has now evolved into the Market Street, Rubidoux Boulevard, Agua Mansa Improvement Project. The first and second phases of this project were completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

v. Van Buren Waterline Project (JVPA)

Start Date:	March 28, 2011
Completion Date:	July 25, 2011
Estimated Project Cost:	$ 50,000
FY 10/11 Expenditures:	$ 0
Project Location:	56th Street and Van Buren, Jurupa Valley

Jurupa Community Services District (JCSD) established a project to replace the existing 2-inch pipeline with an 8-inch pipeline, reconnect customers through new meters, and install 3 new fire hydrants on 56th Street and Van Buren Boulevard. The Agency and JCSD entered into an agreement whereby the Agency agreed to assist in the construction costs in an amount of $50,000. The scope included the replacement of approximately 690 feet of existing 2-inch diameter water main with an 8-inch water main, replacement of all residential laterals within the cul-de-sac, and installation of 3 new fire hydrants. This project improves public safety by providing reliable water service and ensuring adequate fire flow protection is available at the 3 new fire hydrants servicing the area. This project is an enforceable obligation.

w. Vernon Avenue Street Improvement Project (JVPA)

Start Date:	April 2011
Completion Date:	May 2011
Project Cost:	$ 120,000
FY 10/11 Expenditures:	$ 101,459
Project Location:	Vernon Avenue

This project is a joint venture between RDA and County Transportation to provide $120,000 towards design and construction costs associated with improving the roadway along Vernon Avenue. The project includes 650 feet of street improvements starting at 40th Street along Vernon Avenue to improve public safety and access. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

x. Cabazon Sewer (MCPA)

Start Date:	August 2007 (Design)
Estimated Completion Date:	October 2011
Estimated Project Cost:	$ 2,500,000
FY 10/11 Expenditures:	$ 141,198
Location:	Carmen, Almond and Dolores Ave.

The Cabazon community is an older community that lacks sewer infrastructure for existing residents and new development. The Agency has determined that without assistance, this infrastructure cannot be developed. The purpose of the project is to provide sewer service to a portion of the community of Cabazon by constructing a new gravity sewer main to connect to a proposed future wastewater treatment plant. Specific improvements to be constructed consist of approximately 9,800 linear feet of sewer main along portions of Dolores and Carmen Avenues. The sewer improvement will allow for existing businesses and residential to convert from septic to sewer. The full design that includes the treatment plant will be completed in Spring 2012 with construction depending on funding and outcome of redevelopment legislation.

y. King Road Paving (MCPA)

Start Date:	June 28, 2011
Estimated Completion Date:	June 2013
Project Cost:	$ 356,000
FY 10/11 Expenditures:	$ 28,323
Location:	King Road from Garnet Rd to El Dorado Rd

At a series of community meetings during 2009, members of the West Garnet community identified the paving of King Road as a community need. The work to be performed includes paving King Road from Garnet Road to El Dorado Road, which will be 26 feet in paved width with 7 feet shoulders on both sides. The length of the road is 2,600 feet. This project will assist in eliminating blighted conditions by paving the road to provide enhanced public safety and vehicular access, improved traffic circulation and access to fire and rescue, as well as improve overall appearance. The Transportation Department will manage the construction of the project, while the Redevelopment Agency will act as the funding entity and be responsible for the acquisition of the necessary rights-of-way. This is an enforceable obligation.

z. Airport Projects (DCPA)

FY 10/11 Expenditures:	$ 466,440

The Desert Communities Project Area includes seven airports located throughout the unincorporated areas of the County. The seven airports and locations are:

Jacqueline Cochran Regional Airport – Eastern part of the County, Thermal
Blythe – West of the city of Blythe
Chiriaco Summit – Eastern part of the County, 35 miles east of Indio
Desert Center – Eastern part of the county, near State Highway 177
Flabob – Community of Rubidoux
French Valley – Southwest Riverside County near the cities of Temecula and Murrieta
Hemet-Ryan – West of the city of Hemet

Projects at French Valley include the completion of a new 44,000 square foot parking lot comprised of up to 90 parking spaces, drought tolerant landscaping, signage and lighting; additionally, the installation of security gates and fencing to meet current Federal Aviation Administration security standards. Projects at Hemet-Ryan included the demolition of a 24,025 square feet hanger and the application of new asphalt seal, as well as taxiway and pavement markings. Projects at Jacqueline Cochran included the rehabilitation of secondary runway 12-30, overlay west side of Taxiway A, taxiway and pavement markings, and drainage work. These projects were completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

aa. 42nd Avenue Improvement Project (DCPA)

Start Date:	February 2009
Completion Date:	February 2010 (Phase I)
Estimated Project Cost:	$ 906,375
FY 10/11 Expenditures:	$ 6,738
Location:	Bermuda Dunes

The project includes the design and construction of two new raised landscaped medians on 42nd Avenue, enhancing the landscaping within existing medians along 42nd Avenue from Lima Hall Road to Glass Drive, landscaping along street frontage of the 42nd Avenue retention basin, the Jamaica Sands Drive retention basin, and block wall along 42nd

Avenue. The project also includes the installation of monument signs and custom street signs per the Bermuda Dunes Design Guidelines. The first phase of the project has been completed; however, the second phase of the project, which includes the street signs, is on hold pending the establishment of a Landscaping and Lighting Maintenance District and outcome of legislation. Phase I of this project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

bb. Monterey, Cook, Washington Streets Interchange Improvements (DCPA)

Start Date:	January 1997
Completion Date:	2016
Estimated Project Cost:	$ 1,500,000
FY 10/11 Expenditures:	$ 94,000
Location:	Interchange ramps along I-10 Freeway

The Agency has agreed to provide financial assistance to the County of Riverside for the construction of interchange/street improvements on Monterey, Cook and Washington Streets along Interstate 10 which serve the DCPA. The Agency will provide annual payments of $94,000 until the year 2016 to fund a portion of the debt service payments for the project. This is an enforceable obligation.

cc. Mecca 18" Water Line Extension (DCPA)

Start Date:	August 4, 2011
Estimated Completion Date:	December 15, 2011
Estimated Project Cost:	$ 390, 445
FY 10/11 Expenditures:	$ 44,075
Location:	In Avenue 66, between 2nd Street and Dale Kiler Road, Mecca

The project scope includes the construction of approximately 895 linear feet of 18" water line, with restrained joints and polyethylene encasement in Avenue 66, Mecca. This line will serve the Mecca Boys & Girls Club, Mecca Fire Station #40 and the DACE commercial shopping center. The project, along with the installation of the 18" water line, includes the installation of 4 detector check vaults, 4 gate valves, 14 water service connections, two ductile iron bends and two ductile iron reducers. Approximately 895 linear feet of asphalt concrete paving is also part of the project. This project is an enforceable obligation.

dd. Mecca Downtown Street Revitalization (DCPA)

Estimated Start Date:	October 2011 (Construction of Phase III)
Estimated Completion Date:	December 2011 (Construction of Phase V)
Estimated Project Cost:	$ 22,000,000
FY 10/11 Expenditures:	$1,674,434
Location:	Bounded by 7th Street on the north, Avenue 66 on the south, Hammond Street on the west, and Home Street on the east.

The project will be delivered in five phases and includes street repair and reconstruction of 15 streets located in the downtown section of Mecca. Scope includes new paving, widening, curbs, gutters, sidewalks, parkway landscaping (design), intersection improvements, and street lights. Right of way acquisition, refurbishment of the Triangle Park and the establishment of a Landscape Maintenance District (LMD) is also required as part of the project. This is an enforceable obligation.

ee. Mecca Roundabout (DCPA)

Estimated Start Date:	2012 (Construction)
Estimated Completion Date:	2012
Estimated Project Cost:	$ 2,945,000 ($962,400 RDA; $1,982,600 Congestion Mitigation Air Quality Funds)
FY 10/11 Expenditures:	$ 348,243
Location	4th Street and Hammond, Mecca

The project includes the reconstruction of the main entry to the community of Mecca. Currently the main entrance is a disjointed intersection that causes traffic snarls during busy agricultural harvest seasons. The new entry will consist of a roundabout traffic circle that will allow for smooth transition from all connecting roads thereby promoting safety as well as reducing traffic snarls and emissions from standing vehicles. Final design is substantially complete although public input is being considered. Construction is scheduled for 2012. This is an enforceable obligation.

ff. Thermal Infrastructure Improvements (DCPA)

Start Date:	November 2010
Estimated Completion Date:	September 2011
Estimated Project Cost:	$ 17,115,546
FY 10/11 Expenditures:	$ 10,157,651
Location:	Airport Boulevard and Polk Street

Components of this project include a drain and irrigation line replacement, utility upgrades, and street improvements. In addition, Sewer improvements will be installed on Airport Boulevard and Polk Street. Water improvements will connect to the Middleton Road Pressure Station and will provide required fire flow capacity for the Thermal community to expand capacity for sanitary sewer service to Thermal sub-area. The project is under construction and is nearly complete. This is an enforceable obligation.

gg. Thermal Street Improvements (DCPA)

Start Date:	November 2005 (Design)
Estimated Completion Date:	August 2012 (Construction)
Estimated Project Cost:	$ 12,000,000
FY 10/11 Expenditures:	$ 218,428
Location:	Airport Boulevard and Polk Street

This project is a component of the Thermal Infrastructure Improvements project, and it consists of curb, gutter, sidewalk, parkways in selected areas, multi-use trail on Airport Blvd. and Polk St., street widening, and median construction. Undergrounding of utilities will be done on Airport Blvd. and drainage will be incorporated throughout the project area. The engineer has completed the design and submitted for plan check. Phase 1 of the project, consisting of the construction of the Town Street improvements, has been awarded and is expected to be completed by November 2011. This is an enforceable obligation.

hh. Thousand Palms Street Improvements (DCPA)

Start Date:	June 2008
Estimated Completion Date:	September 2009
Estimated Project Cost:	$ 10,500,000
FY 10/11 Expenditures:	$ 601,425
Location:	Varner Road and Monterey Avenue

This project consisted of the designing and construction of street improvements in the community of Thousand Palms. The street improvements included reconstruction of Monterey Avenue from Varner Road, and the widening of Varner Road. The project also included installation of curb, gutter, sidewalk, removal of signal at Broadmoor and Monterey and extending the median. The project was completed in September 2009, and expenditures over the past fiscal year were due to a contractor claim and the settlement that was reached. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

ii. Brown Street Road and Drainage Improvement Project (Interstate 215 Corridor)

Start Date:	June 28, 2011
Estimated Completion Date:	June 2012
Estimated Project Cost:	$ 500,000
FY 10/11 Expenditures:	$ 0
Location:	Intersection of Cajalco Road and Brown Street, Mead Valley

The Agency has been working with the community, the Mead Valley Municipal Advisory Council (MAC), and the Riverside County Transportation Department (RCTD) to develop a plan to assist in the elimination of blight and revitalize the substandard physical and economic conditions that exist within the Mead Valley sub-area of the I-215 Corridor Project Area. A need was identified to correct a blighting condition, which has developed in the area of the road at the intersection of Cajalco and Brown Street. The area experiences flooding due to a reduction in grade and inadequate drainage in the road. The project will remove the blighting condition by installing a precast bridge over the street as well as additional road improvements. The proposed improvements will improve traffic circulation and provide safer access for vehicles and pedestrians at the intersection, as well as relieve the area of the risk of future flooding. The County has estimated the cost of the design and construction to be $500,000. This is an enforceable obligation.

jj. Cajalco Widening Project (Interstate 215 Corridor)

Start Date:	January 25, 2011
Completion Date:	Fall 2014
Estimated Project Cost:	$ 1,500,000
FY 10/11 Expenditures:	$ 55,818
Location:	From I-215 to Barton Street in Mead Valley

This project consists of widening a portion of Cajalco Road from two lanes to four lanes. Funding will assist the Riverside County Transportation Department with the design of the project. The project will benefit the residents of Mead Valley by providing additional traffic lanes, hence improving traffic flow and adding new signals at various intersections along Cajalco Road, which will improve pedestrian safety. This is an enforceable obligation.

kk. Clark Street/Old Elsinore Road and Rider Street Traffic Signal Project (Interstate 215 Corridor)

Start Date:	July 21, 2009
Estimated Completion Date:	December 2011
Estimated Project Cost:	$ 500,000
FY 10/11 Expenditures:	$ 63,161
Location:	Corner of Clark Street/Old Elsinore Road and Rider Street, in Mead Valley

Agency staff has been working with the community, the Mead Valley Advisory Council (MAC) and the Riverside County Transportation Department (RCTD), to develop a plan to assist in the elimination of blight and revitalize the substandard physical and economic conditions that exist within the Mead Valley sub-area of the I-215 Corridor Project Area. A need was identified to improve the intersection at Clark Street/Old Elsinore Road and Rider Street by installing a traffic signal. The proposed improvements will assist in eliminating blighting conditions by improving traffic circulation and providing safer access for pedestrians and school children at the intersection. This is an enforceable obligation.

ll. Garfield Avenue Sidewalk Project (Interstate 215 Corridor)

Start Date:	January 2008 (Design)
Estimated Completion Date:	October 2009 (Construction)
Estimated Project Cost:	$ 374,988
FY 10/11 Expenditures:	$ 43,101
Location:	Garfield Ave between Center Street and Spring Street, Highgrove

This project includes the design, construction, and management services for approximately six-hundred (600) lineal feet of sidewalk, curb, gutter and pavement improvements on the east side of Garfield Avenue along the frontage of Highgrove Elementary School, and approximately five-hundred (500) lineal feet of interim asphalt concrete sidewalk on the east side of Garfield Avenue from Highgrove Elementary School to Spring Street. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted, and expenditures during FY 10-11 were incurred for final close out items.

mm. Highgrove Backbone Sewer Project Phase I (Interstate 215 Corridor)

Start Date:	2007
Completion Date:	November 2011 (Construction)
Estimated Project Cost:	$ 4,000,000
FY 10/11 Expenditures:	$ 2,363,016
Location:	East La Cadena and Center Streets

This project provides a new gravity sewer main connected to the City of Riverside's wastewater system. Specific improvements consisted of approximately 15,700 linear feet of sewer main along a portion of East La Cadena to Center Street, then easterly on Center to Michigan Avenue. This project is an enforceable obligation.

nn. Markham Street and Carroll Street Improvement Project (Interstate 215 Corridor)

Start Date:	July 27, 2010
Estimated Completion Date:	Fall 2012
Estimated Project Cost:	$ 1,000,000
FY 10/11 Expenditures:	$ 60,875
Location:	Markham Street and Carroll Street, Mead Valley

This project consists of off-site and drainage improvements on Markham Street and Carroll Street, more specifically the northerly half of Markham Street from Carroll Street to approximately 670 linear feet west of Carroll Street and the westerly side of Carroll Street from Markham Street to Bonham Street. Improvements include construction of curb and gutter, and pavement. This project will assist in eliminating blighted conditions by constructing needed improvements that will improve safety standards for the residents of Mead Valley. Design for this project is an enforceable obligation. Funding for construction of the project is on hold pending the outcome of legislation.

oo. Mead Valley Road Improvement Project Phase III (Interstate 215 Corridor)

Start Date:	January 12, 2010
Estimated Completion Date:	December 2011
Estimated Project Cost:	$ 2,441,350
FY 10/11 Expenditures:	$ 1,025,530
Location:	Mead Valley

This project consists of road improvements and includes paving on a total of 9 dirt roads: 1) Oleander Street- from Alexander Street to Melvin Way; 2) Woodward Street- from Alexander Street to Elizabeth Street; 3) Shortridge Avenue- from Clark Street to Haines Street; 4) Bailey Street- from Alexander Street to Elizabeth Street; 5) Corson Avenue from Carroll Street to Day Street; 6) Kuder Avenue- from Carroll Street to Day Street; 7) Hawthorne Avenue- from Clark Street Easterly 2, 000 feet; and 9) Oakwood Street- from Clark Street to Carroll Street. This project is an enforceable obligation.

pp. Mead Valley Road Improvement Project Phase IV (Interstate 215 Corridor)

Start Date:	June 28, 2011
Estimated Completion Date:	June 2012
Estimated Project Cost:	$ 2,100,000
FY 10/11 Expenditures:	$ 0
Location:	Mead Valley

The work performed by Riverside County Transportation Department (RCTD) shall include the paving for the following 10 dirt roads within the Project Area: 1) Church Street from Clark Street to Old Elsinore Road; 2) Church Street from Old Elsinore Road to 800 feet Westerly; 3) Jean Street from Hallet Street to Brown Street; 4) Sage Street from Brown Street to 1100 feet Westerly; 5) Bonham Street from Alexander Street to 800 feet Westerly; 6)Elmwood Street from Clark Street to Carroll Street; 7) Thomas Lane from Hallet Street to Brown Street; 8) Cedar Street from Old Elsinore Road to 1400 feet Easterly; 9) Smoketree Street from Old Elsinore Road to 850 feet Easterly; and 10) Mack Street from Old Elsinore Road to 1000 feet Easterly. The scope of services includes scheduling, field coordination, construction surveys, utility coordination, environmental clearance, inspections, paving, street signs, and all other miscellaneous services associated with the Project. The work to be performed by EDA shall include right-of-way acquisition. Utility relocation and environmental mitigation are not included in the scope of services to be performed by RCTD. This project is an enforceable obligation.

qq. Ramona and Cajalco Expressway Interchange Project (Interstate 215 Corridor)

Start Date:	June 28, 2011
Estimated Completion Date:	June 2012
Estimated Project Cost:	$ 1,000,000
FY 10/11 Expenditures:	$ 0
	Ramona and Cajalco Expressway Interchange in Mead Valley

The Agency has been working cooperatively with the County of Riverside to improve the I-215 Corridor on and off ramp at the Ramona and Cajalco Expressway. The project will help to eliminate blight by alleviating the congestion and infrastructure deterioration caused by the increased volume of traffic. The project will also increase traffic efficiency, and improve public safety within the project area. The improvements include widening the bridge over the I-215 Corridor, improving the entrance and exit ramps, making modifications to the turn pockets at the ramps, improving both signal lights and lighting over the bridge, and other minor operational improvements. This will meet current standards, which significantly improves vehicular access and the existing infrastructure in a rapidly growing area. This project is an enforceable obligation.

rr. Romoland Beautification Project (Interstate 215 Corridor)

Start Date:	Fall 2009 (Construction)
Estimated Completion Date:	August 2011 (Construction)
Project Cost:	$ 7,059,577
FY 10/11 Expenditures:	$ 3,642,706
	Trumble Road, Antelope Road and Hwy 74

This project included the engineering and construction of landscape and roadway improvements in the community of Romoland. Each of the four phases has been completed. Phase I includes nearly half a mile of new roadway, curb, gutter, sidewalks, and street trees. Phase IB re-landscaped the I-215 SR 74 Eastbound Interchange. Phase II of the project included curb, gutter, sidewalks and landscaping along Highway 74 from Trumble Road to Antelope Road as well as traffic signals at Sherman Road. On the south side of Highway 74, a green screen was put in along the road right of way. Phase III included curb, gutter, sidewalks, and landscaping along Highway 74 from Antelope Road to Palomar Road, and traffic signals at Antelope Road and Highway 74. This project is an enforceable obligation.

ss. Tradewinds Road Paving (Interstate 215 Corridor)

Start Date:	June 28, 2011
Estimated Completion Date:	June 2013
Estimated Project Cost:	$ 600,000
FY 10/11 Expenditures:	$ 600
Location:	Tradewinds Road between Mapes Road and Watson Road

This project is a Memorandum of Understanding (MOU) with the City of Menifee to fund the grading and paving of Tradewinds Road between Watson Road and Mapes Road. The city will be responsible for performing all necessary actions to construct the road, including all regulatory and environmental compliance, while the Redevelopment Agency will serve as the funding entity. This project is an enforceable obligation.

tt. Trumble Road Landscape Improvements (Interstate 215 Corridor)

Start Date:	May 11, 2011
Estimated Completion Date:	Summer 2012
Estimated Project Cost:	$ 400,000
FY 10/11 Expenditures:	$ 1,444
Location:	Trumble Road between Mapes Road and Highway 74

Design bid build of landscape improvements along Trumble Road from SR 74 north to Mapes Road to enhance the main ingress to the Big League Dreams Perris Valley and Perris Valley Aquatic Center facilities. The improvements will be mostly xeriscape with drought tolerant plants installed in the existing right of way behind the sidewalk on the east and west sides of Trumble Road. Design for this project is an enforceable obligation. Funding for construction of the project is on hold pending the outcome of legislation.

E. ALLEVIATION OF BLIGHT

Blight consists of the physical and economic conditions within an area that cause a reduction of, or lack of, proper utilization of that area. Blight conditions can be characterized as physical and/or economic. Some physical and economic conditions of blight include: unsafe building conditions; incompatible adjacent or nearby uses of land parcels that hinder economic activity; small and irregularly shaped lots under multiple ownership that are vacant or underutilized; vacant and underutilized land or buildings; and depreciated or stagnant property values.

The Agency has initiated and expanded upon a variety of programs geared toward the amelioration of blight. These are in addition to the public improvement projects described in the last section which also assist in the alleviation of blight.

1. **North Shore Yacht Club Harbor Cleaning (DCPA)**

Start Date:	February 2011
Expected Completion Date:	May 2011
Project Cost:	$ 80,000
FY 10/11 Expenditures:	$ 77,611
Location:	County owned facility located at 99-155 Sea View Drive, North Shore

The project consisted of the removal of trash and debris and the clearing of brush and tree trimming at the site of the historic North Shore Yacht Club and Marina. Several decades of neglect lead to the continued dumping of asphalt, concrete and other refuse on the property creating a significant blighting condition surrounding the recently resorted yacht club. In addition, several small dilapidated storage structures were removed from property and shore along marina. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

2. **Highgrove Gas Station (Interstate 215 Corridor)**

Start Date:	February 2010
Expected Completion Date:	2015
Project Cost:	$ 138,000
FY 10/11 Expenditures:	$ 74,010
Location:	NW corner of Center Street and Iowa Ave in Highgrove

This proposed project consists of the acquisition, environmental remediation and future development of the property through a DDA process. The estimated project budget is approximately $400,000 for environmental work and $1,200,000 for acquisition costs. Phase I (environmental assessment) and phase II (soil samples, monitoring wells installation, etc.) environmental work was completed in fiscal year 10-11. Development of the property is on hold pending outcome of legislation.

3. **Trumble Road Site Remediation (Interstate 215 Corridor)**

Start Date:	February 2007
Completion Date:	January 2011
Project Cost:	$ 195,000
FY 10/11 Expenditures:	$ 137,876
Location:	West side of Trumble Rd at the NW corner with Hwy 74

This project included the completion of a Phase II Environmental Site Assessment and groundwater monitoring for a contaminated site in the community of Romoland. The site is proposed to be developed in the near future and the Agency will present the developer with a clean site. The expenditures over the past fiscal year include geotechnical engineering, soil remediation, and site clearing. This project was completed prior to June 29, 2011, the date on which ABx1 26 and ABx1 27 (legislation regarding redevelopment) were enacted.

4. **Graffiti Abatement Program (All Project Areas)**

The Graffiti Busters program consists of a fleet of four graffiti abatement vehicles staffed with one painter and painter assistant on each vehicle. Three graffiti abatement vehicles remove graffiti from Western Riverside County and one graffiti abatement vehicle is dedicated to removing graffiti from Eastern Riverside County communities. The program also utilizes two graffiti abatement contractors to accommodate overflow work orders and maintain efficient turnaround times. The Graffiti Busters program provides color matching capabilities and an average turnaround time of one business day. In FY 10-11, the Agency expended approximately $487,000 in redevelopment funds for the graffiti abatement program.

5. **Demolition Grant Program (All Project Areas)**

The Agency started this program in response to property owners who require assistance with the demolition of dilapidated structures on private property. Approximately $246,670 was expended last fiscal year to remove twenty-two (22) dilapidated structures throughout all project areas.

6. **Property Management**

The Agency purchases property for redevelopment purposes that are secured for conformance with health and safety codes during land assembly and development efforts. The Agency maintains the properties through fence installation/repairs, weed abatement, and other security and safety activities. The Agency expended approximately $520,048 in the past fiscal year for this purpose.

VIII. ECONOMIC IMPACT AND JOB CREATION

In January 2011, the Agency retained the Rose Institute of State and Local Government, located at Claremont McKenna College, to determine the economic impact that Agency activities have had on the local economy. The report was issued in April 2011, and is included as Exhibit B to this report for reference and economic impact information.

The Rose Institute gathered and analyzed data on Agency projects in conjunction with economic multipliers estimated by the Bureau of Economic Analysis (a department of the United States Department of Commerce) to project impacts on the value of output and jobs in Riverside County. While the report contains data starting from fiscal year 2005-2006, only the conclusions for FY 10-11 are presented in this section. Readers may reference Exhibit B for details on the methodology, and information for additional years. The estimates obtained from the multipliers additionally provided the basis for estimates of tax revenues indirectly generated by redevelopment activity.

The Rose Institute analyzed the following scenarios to develop the effect of Agency spending on the value of output, earnings and jobs:

- All expended costs are related to construction, with Riverside County specific multipliers;
- Not all expended costs are related to construction, with RIMS II multipliers; and
- All expended costs are related to construction, with California statewide multipliers.

The Rose Institute study concluded that, due to both direct spending and multiplier effects, total projected spending of approximately $121.9 million for FY 10-11 generated output valued between $213.5 million and $218.3 million, personal income of $55.3 million, and between 1,079 and 1,341 jobs.

IX. STATUS OF LOANS MADE BY THE AGENCY

In accordance with Section 33080.1(e), the Agency is required to provide a list and status report on all loans made by the Agency in the previous fiscal year that are $50,000 or more and are in default or not in compliance with the terms of the loan approved by the Agency. There are no loans of $50,000 or more that were found to be late in payments in the prior fiscal year.

X. AGENCY OWNED PROPERTIES

Section 33080.1(f) also indicates that the Agency is required to provide a description of the total number and nature of properties owned by the Agency and those that were acquired in the previous fiscal year. Table 2 below is a summary of properties owned and acquired by the Agency, as required by the CRL.

Table 2

USE	APN	Acres	Date Deed Recorded	STATUS
Magnolia Median	115-210-021	0.79	9/19/03	Construction Complete
Home Gardens Public Facility	135-022-003	0.22	4/25/08	Purchased for Code Enforcement
Home Gardens Public Facility	135-022-028	0.05	4/25/08	Purchased for Code Enforcement
Home Gardens Public Facility	135-022-030	0.21	4/25/08	Purchased for Code Enforcement
Wineville Remnant	156-340-049	0.19	11/19/97	
Vernola Park	160-040-032	20.98	4/25/06	Construction Complete
Mission Village SF Housing	169-070-031	0.83	06/25/09	In entitlement phase
Mission Village SF Housing	169-070-035	0.05	1/31/11	In entitlement phase
VFW Glen Avon	169-080-004	1.07	9/05/08	Project is currently in design
Mission Village SF Housing	169-100-055	3.24	12/16/04	In entitlement phase
Mission Village SF Housing	169-100-057	2.27	12/16/04	In entitlement phase
Sierra Ave / Armstrong Road	174-101-011	1.32	9/26/05	Property will be transferred to Flood upon acceptance of improvements
Jesus Name Pentecostal Assembly	174-150-022	4.22	Not Disclosed	Will be transferred to Transportation
Valley Way/ Armstrong Improvement	174-320-021	0.17	9/27/04	Construction Complete
Valley Way/ Armstrong Improvement	174-320-022	0.18	9/27/04	Construction Complete
Villalobos MHP	757-260-009	14.8	3/30/11	Land held for Housing Project – relocation in progress
Lockhart land acquisition	177-020-012, 018, 177-110-005	6.76	6/14/06	Land assembly for future housing development
Rubidoux Fire Station	177-051-001,002, 003;	0.52	05/15/07	Construction Complete, pending transfer to the City of Jurupa
Rubidoux Fire Station	181-111-015	2.94	05/15/07	Rubidoux Community Services District exchange property

Valley Way/Armstrong Road	177-091-002	0.15	11/22/05	Construction Complete
Canal Street Park	177-231-014	1.0	1/28/11	Land held for Housing Project
Sierra Armstrong St. Improvement	177-250-022	2.77	02/09/05	Construction Complete
Rubidoux Resource / Addtl Parking	179-202-030	0.22	3/16/06	Construction Complete
Zavala Property Acquisition	179-203-027	0.19	7/30/04	Land held for future redevelopment
Mission Blvd., Houston	179-211-004	0.09	2/14/02	Site is available for development
Rubidoux Street Improvement	179-212-005, 006	.35	3/16/06	Construction Complete
Rubidoux Tax Sale/ Resource Center	179-221-014	0.04	1/12/01	Construction complete
Rubidoux Street Improvement	179-221-015	0.05	3/16/06	Construction Complete
Rubidoux Street Improvement	179-222-010	0.12	7/30/04	Construction Complete
DPSS / Mental Health	179-260-004, 023, 024	0.59	7/31/01	Project is Complete
Rubidoux DPSS Self Sufficiency	179-260-008, 017, 018 & 019	0.64	7/31/02	Construction Complete
Rubidoux DPSS Self Sufficiency	179-260-020	1.39	5/3/02	Construction Complete
Mission & Wallace	179-260-046	1.26		Land held for redevelopment
Cottonwood MHP/Cardenas	179-330-002	1.0	8/19/10	Land held for Housing Project
Cottonwood Mobile Home Park	179-330-003, 005	3.43	5/27/09	Property vacant. In DDA negotiations.
Mission Plaza	181-020-022, 023, 027, 028, 029, 030, 031	15.25	8/08/08	Land Purchased for Future Improvements – Relocation
Vista Rio	181-030-002; 181-041-001, 002, 004, 008	8.01	3/17/11	Land held for Housing Project
Vista Rio – Post Office	181-041-007	1.18	1/31/11	Land held for Housing Project
Mission Blvd. Flower Shop	181-052-004	0.14	7/11/01	Construction Complete
Boxing Club	181-052-016	0.06	1/21/05	Construction Complete
Mission / Pontiac	181-052-017	0.18	8/14/07	Land held for future redevelopment

Mission / Pontiac	181-052-018	0.06	8/14/07	Land held for future redevelopment
Mission Blvd.	181-061-002	0.06	8/29/01	Land held for future redevelopment
Molino Way Infill Housing	181-082-050	0.19	11/20/08	In DDA negotiations
Rubidoux Health Clinic	181-120-014	0.62	03/25/05	Construction complete
Mission Blvd	181-120-015	0.38	04/06/09	Construction complete
Rubidoux Health Clinic	181-120-016	0.39	04/06/09	Construction complete
Rubidoux Health Clinic	181-120-017	0.01	04/06/09	Construction complete
Rubidoux Library	182-290-004; 005	1.59	07/25/02	Construction complete
Rubidoux Library	182-290-006; 007	0.58	4/24/02	Construction complete
Rubidoux Library	182-290-008	0.36	6/21/02	Construction complete
Rubidoux Library	182-290-009	0.38	6/21/02	Construction complete
Rubidoux Library	182-290-010	0.98	10/22/02	Construction complete
Rubidoux Library	182-290-011 & 020	2.21	12/04/01	Construction complete
Rubidoux Library	182-311-001	0.29	07/03/08	Construction complete
Aquatic Center	183-030-026, 043	8.96	07/27/06	Construction Complete
Camino Real	185-460-001; 185-470-001, 002	15.53	07/24/06	Land held for Housing Project
Highgrove Library	255-070-013	7.43	09/03/08	Construction Complete
University Tech Park	257-030-012	3.15	01/23/04	Available for sale
University Tech Park	257-030-014	4.32	01/23/04	Available for sale
CFD87-1 Surplus	317-270-014	0.61	10/21/05	Pending research for future development
Mead Valley Library	318-120-045	3.24	12/10/09	Under construction
Mead Valley Comm Ctr	318-210-050, 070	5.42	7/30/10	Under construction
Interstate 215 widening	329-020-009	0.91	8/21/06	Under construction
Interstate 215 widening	329-020-022	3.91	8/21/06	Under construction
Hwy 74 & Sherman	329-030-011	1.0		Street Improvement
Romoland Infill Housing	329-221-008	1.94	08/22/08	Land held for future redevelopment
Briggs Road Senior Center	333-170-013	2.10	12/1/05	To be sold to private developer to build a senior center
Perret Park	381-174-023	0.77	09/14/07	Construction complete
Perret Park	381-174-024	0.76	09/14/07	Construction complete
Perret Park	381-174-025	0.76	09/14/07	Construction complete
Perret Park	381-174-026	1.22	09/14/07	Construction complete
Perret Park	381-174-027	0.31	09/14/07	Construction complete
Perret Park	381-174-055	0.21	09/14/07	Construction complete

Perret Park	381-174-071	0.31	09/14/07	Construction complete
Perret Park	381-174-072	0.34	09/14/07	Construction complete
Lakeview / Nuevo Community Center	426-180-020	4.52	7/6/07	Conceptual Stage
Smart & Final Expansion/North Hemet Crossing	439-060-009, 010, 011, 013, 014, 024; 439-281-035	12.52	2011	Land held for future development and Housing Project Relocation in process
North Hemet Crossing	443-050-002	1.09	01/18/08	Land held for future redevelopment
North Hemet Crossing	443-050-003	1.09	01/18/08	Land held for future redevelopment
North Hemet Crossing	443-050-004	0.15	01/18/08	Land held for future redevelopment
North Hemet Crossing	443-050-006	0.77	08/07/01	Land held for future redevelopment
North Hemet Crossing	443-050-021	0.39	01/18/08	Land held for future redevelopment
North Hemet Crossing	443-050-022, 023	1.06	01/18/08	Land held for future redevelopment
North Hemet Crossing	443-050-024	0.94	01/18/08	Land held for future redevelopment
North Hemet Crossing	443-050-027	0.32	01/18/08	Land held for future redevelopment
North Hemet Crossing	443-050-028	.60	01/18/08	Land held for future redevelopment
North Hemet Crossing	443-050-029	0.57	01/18/08	Land held for future redevelopment
North Hemet Crossing	443-050-030	0.14	12/31/08	Land held for future redevelopment
North Hemet Crossing	443-050-031	0.87	01/18/08	Land held for future redevelopment
Hemet Ryan Airport	456-020-010	4.17	12/26/07	Land held for future redevelopment
Boys and Girls Club French Valley	480-160-022	11.99	Not Disclosed	Will be transferred to Riverside County Conservation Authority.
Cabazon Redevelopment	526-021-006, 007	0.88	11/30/00	Site is available for development
Cabazon Fire Station	526-170-001, 021, 022, 023	4.07	03/12/03	Construction complete
Cabazon Fire Station	526-170-024	0.13	3/12/03	Construction complete
Thousand Palms Fire Station	650-331-029	3.39	1/27/05	Construction complete
North Shore Fire Station	723-222-002	0.32	03/26/08	Project is currently in design
North Shore Fire Station	723-222-003	0.32	10/19/07	Project is currently in design
North Shore Community Center	723-222-004	0.33	07/19/05	Construction complete
North Shore Community Center	723-222-006	0.33	09/20/05	Construction complete

Mecca Social Services Center	727-030-030	2.30	01/07/03	Construction complete
Mecca Roundabout	727-161-025, 026, 027, 028, 030	0.39	Not Disclosed	Project is currently in design
Mecca Triangle Park	727-184-036	0.09	Not Disclosed	Project is currently in design
Mecca Senior Center/ Community Center	727-184-008	0	12/11/09	Property held for future development
Mecca Senior Center/ Community Center	727-184-010, 011	0.13	04/20/07 09/05/07	Property held for future development
Mecca Senior Center/ Community Center	727-184-015	0.40	01/05/10	Property held for future development
Mecca Senior Center/ Community Center	727-184-016	0.12	3/4/09	Property held for future development
Mecca Senior Center/ Community Center	727-184-024	0.05	07/25/07	Property held for future development
Mecca Senior Center/ Community Center	727-184-037	0.16	04/26/07	Property held for future development
Mecca Senior Center/ Community Center	727-184-030, 031	0.12	01/06/09	Property held for future development
Mecca Senior Center/ Community Center	727-184-032	0.05	Not Disclosed	Property held for future development
Mecca Senior Center/ Community Center	727-184-033	0.09	04/30/07	Property held for future development
Mecca Senior Center/ Community Center	727-184-034, 035	0.06	07/09/10	Property held for future development
Mecca Fire Station	727-193-010, 012, 036, 037	1.05	02/28/07	Under construction
Mecca Fire Station	727-193-013	0.15	12/27/07	Under construction
Mecca Fire Station	727-193-046	0.16	12/27/07	Under construction
Mecca Fire Station	727-193-027, 028, 041	0.88	03/15/07	Under construction
Mecca Fire Station	727-193-038	0.12	06/19/07	Under construction
Mecca Fire Station	727-193-047	1.12	06/19/07	Under construction
Mecca Fire Station	727-193-040	0.23	11/27/01	Under construction
Mecca Sports Park and Boys and Girls Club	727-272-021, 031	8.53	09/09/03	Under construction
100 Palms	751-130-019, 020	1.85	05/22/08	Land held for future housing development
Middleton	751-160-007, 009, 012, 014	23.87	12/15/06	Land held for future redevelopment
Thermal Revitalization	757-041-030	0.08	05/22/08	Land held for future redevelopment
Thermal Revitalization	757-042-008	0.14	06/20/08	Land held for future redevelopment

Thermal Revitalization	757-052-010	0.01	05/23/08	Land held for future redevelopment
Thermal Revitalization	757-052-014	0.15	05/23/08	Land held for future redevelopment
Thermal Revitalization	757-052-015	0.16		Land held for future redevelopment
Thermal Revitalization	757-052-016	0.22	05/23/08	Land held for future redevelopment
Thermal Revitalization	757-052-013, 017	0.13	05/23/08	Land held for future redevelopment
Thermal Revitalization	757-054-018, 019	0.2	07/2/08	Land held for future redevelopment
Thermal Library	757-062-003	4.38	12/22/09	Land held for future redevelopment
Desert Resorts Industrial Park	759-050-003; 759-100-006 thru 011	607.16	7/10/98	Land held for future redevelopment
Hernandez MHP	757-110-023	1.95	7/12/10	Land held for housing project
Oasis Fire Station	749-160-012	3.08	1/5/11	Land held for future development
Cabazon Sewer Project	525-150-012	3.44	12/7/10	Land held for future development

EXHIBIT "A"

Redevelopment Plan Limits for the
Redevelopment Agency for the County of Riverside

CURRENT PROJECT AREA	ORIGINAL PROJECT AREA	Sub-Area(s)	Total Area	Adoption Date	Ordinance No.	Base Year	Time Limit on Eminent Domain	Tax Increment Limit	Time Limit to Incur Debt	Bond Limit	Redevelopment Activities	Receipt of Tax Increment	Last Implementation Plan Adoption
1-1986	1-1986	Murrieta, Home Gardens	350	12/23/1986	635	1986-89	Expired on 12/23/98	$ 150,000,000	No limit per Ord. 865	$ 18,750,000	12/23/2027	12/23/2037	December 15, 2009
	Amendment #1 (Additional Territory - New Sub-Area)	Lakeland Village/ Wildomar	2,859	07/20/1999	793	1998-99	Not Permitted	no limit per AB 1290	07/20/2019	$ 85,000,000	07/20/2030	07/20/2045	December 15, 2009
	Amendment #2 (Additional Territory - New Sub-Area)	El Cerrito/ Temescal Canyon	1,442	12/14/1999	800	1999-2000	Not Permitted	no limit per AB 1290	12/14/2019	$ 125,000,000	12/14/2030	12/14/2045	December 15, 2009
		Project Area No. 1 Acreage	4,651										
Jurupa Valley Project Area (JVPA)	2-1986 (JVPA)	Mira Loma	1,955	12/23/1986	636	1986-87	07/09/2008	$ 275,000,000	No limit per Ord. 865	$ 34,375,000	12/23/2027	12/23/2037	December 15, 2009
	Amendment #1 (Add'l Territory)	Mira Loma Additional Territory	368	12/19/1988	667	1988-89	07/09/2008	$ 695,000,000	No limit per Ord. 865	$ 105,000,000	12/19/2029	12/19/2039	December 15, 2009
	Amendment #2 (Add'l Territory)	Mira Loma Additional Territory	1,533	12/19/1989	686	1989-90	07/09/2008	$ 995,000,000	No limit per Ord 865	$ 155,000,000	12/19/2030	12/19/2040	December 15, 2009
	2-1987 (JVPA)	Glen Avon, Rubidoux (1)	635	12/22/1987	645	1987-88	07/09/2008	$ 495,000,000	No limit per Ord. 865	$ 62,000,000	12/22/2028	12/22/2038	December 15, 2009
	2-1989 (JVPA)	Pedley, Rubidoux (2)	1,354	07/05/1989	675	1989-90	07/09/2008	$ 535,000,000	No limit per Ord. 865	$ 180,000,000	07/05/2030	07/05/2040	December 15, 2009
	Merger	Additional Territory	10,755	07/09/1996	762/763	1996-97	07/09/2008	No limit per AB 1290	07/09/2016	$ 500,000,000	07/09/2027	07/09/2042	December 15, 2009
		JVPA Acreage	16,600										
Mid-County Project Area (MCPA)	3-1986	Garnet, Valle Vista, West Garnet, Winchester	980	12/23/1986	637	1986-87	12/23/1998	$ 500,000,000	No limit per Ord 865	$ 121,500,000	12/23/2027	12/23/2037	December 15, 2009
		Homeland Existing Project Area	122	12/23/1986	637	1986-87	05/11/2011	$ 250,000,000	No limit per Ord 865	$ 45,000,000	12/23/2027	12/23/2037	December 15, 2009
	Amendment #1 (Add'l Territory)	Homeland/Green Acres	1,307	05/11/1999	785	1998-99	05/11/2011	no limit per AB 1290	05/11/2010	$ 45,000,000	05/11/2030	05/11/2045	December 15, 2009
	3-1987	North Hemet	40	12/22/1987	646	1987-88	12/22/1999	$ 40,000,000	No limit per Ord 865	$ 5,000,000	12/22/2028	12/22/2038	December 15, 2009
	3-1989	Cabazon	4,598	07/11/1989	676	1989-90	E.D. Not Permitted	$ 270,000,000	No limit per Ord 865	$ 90,000,000	07/11/2030	07/11/2040	December 15, 2009
	Merger	No Additional Territory		05/11/1999	786	Time limitations are counted individually for each plan in accordance with AB1290							
	Amendment #2	Garnet, West Garnet	2,674	01/27/2009	887	2008-09	E.D. Not Permitted	no limit per AB 1290	01/13/2029	$ 62,000,000	01/13/2039	01/13/2054	December 15, 2009
		MCPA Acreage	9,721										
Desert Communities Project Area (DCPA)	4-1986	East Blythe, Mecca, North Shore, Palm Desert, Ripley, Thermal	20,155	12/23/1986	638	1986-87	12/23/1998	$ 1,700,000,000	No limit per Ord 865	$ 373,000,000	12/23/2027	12/23/2037	December 15, 2009
		Thousand Palms Existing Project Area	265	12/23/1986	638	1986-87	12/23/1998	$ 250,000,000	No limit per Ord. 865	$ 45,000,000	12/23/2027	12/23/2037	December 15, 2009
	Amendment #1 (Add'l Territory)	Thousand Palms Amended Area	408	07/20/1999	794	1998-99	07/20/2011	No limit per AB 1290	07/20/2019	$ 45,000,000	07/20/2030	07/20/2045	December 15, 2009
	4-1987	Desert Center	376	12/22/1987	647	1987-88	12/22/1999	$ 140,000,000	No limit per Ord. 865	$ 17,500,000	12/22/2028	12/22/2038	December 15, 2009
	Airports - 1988	Blythe, Chiriaco, Desert Center, Flabob, French Valley, Hemet Ryan	6,366	12/19/1988	668	1988-89	Not Permitted	$ 300,000,000	No limit per Ord 865	$ 95,000,000	12/19/2029	12/19/2039	December 15, 2009
	Merger	No Additional Territory		07/20/1999	795	Time limitations are counted individually for each plan in accordance with AB1290							December 15, 2009
	Amendment #2	100 Palms, Oasis, Mecca, North Shore	2,076	01/27/2009	886	2008-09	Not Permitted	No limit per AB 1290	01/13/2029	$ 73,000,000	01/13/2039	01/13/2054	December 15, 2009
	Amendment #3	Detachment	(5.90)	5/25/2010	898	N/A	N/A	N/A	N/A	N/A	N/A	N/A	December 15, 2009
		DCPA Acreage	29,607										
Interstate 215 Project Area (I-215)	5-1986	Lakeview, Mead Valley (1), Romoland (3 & 5)	3,154	12/23/1986	639	1986-87	12/23/1998	$ 578,005,274	No limit per Ord. 865	$ 62,207,600	12/23/2027	12/23/2037	December 15, 2009
		Highgrove Existing Project Area	276	12/23/1986	639	1986-87	12/23/1998	$ 50,000,000	No limit per Ord. 865	$ 15,000,000	12/23/2027	12/23/2037	December 15, 2009
	Amendment #1 (Add'l Territory)	Highgrove Amended Area	843	11/24/1998	783	1998-99	11/24/2010	No limit per AB 1290	11/24/2018	$ 61,000,000	11/24/2029	11/24/2044	December 15, 2009
	Amendment #2 (Add'l Territory)	Romoland Amended Area	1,392	07/16/2002	822	2001-02	Not Permitted	No limit per AB 1290	07/16/2022	$ 100,000,000	07/16/2033	07/16/2048	December 15, 2009
	5-1987	Mead Valley (2)	141	12/15/1987	648	1987-88	Not Permitted	$ 120,000,000	No limit per Ord 865	$ 15,000,000	12/15/2028	12/15/2038	December 15, 2009
	Amendment #1 (Add'l Territory)	Mead Valley (2) Amended Area	718	07/05/1989	677	1989-90	07/05/2001	$ 540,000,000	No limit per Ord 865	$ 155,000,000	07/05/2030	07/05/2040	December 15, 2009
	Amendment #2 (Add'l Territory)	Mead Valley (2) Amended Area	3,200	07/16/2002	821	2001-02	Not Permitted	No limit per AB 1290	07/16/2022	$ 75,000,000	07/16/2033	07/16/2048	December 15, 2009
	Merger	No Additional Territory		07/16/2002	821 & 822		Time limitations are counted individually for each plan in accordance with AB1290						December 15, 2009
	Amendment #1a	Lakeview/Nuevo	2,820	05/16/2006	854	2005-06	Not Permitted	No limit per AB 1290	5/15/2026	$ 150,000,000	5/16/2036	5/16/2051	December 15, 2009
	Amendment #1b	Sun City/Quail Valley	3,289	05/02/2006	855	2005-06	Not Permitted	No limit per AB 1290	5/2/2026	$ 150,000,000	5/2/2036	5/2/2051	December 15, 2009
	Amendment 2	Highway 74 Communities, South Mead Valley, Wagon Wheel, Good Hope, Meadowbrook, Warm Springs	5,866	05/04/2010	896	2009-10	Not Permitted	No limit per AB 1290	5/4/2030		5/4/2040	5/4/2055	December 15 2009
		I-215 Acreage	21,695										

EXHIBIT "B"

The Economic Impact of Riverside County Economic Development Agency Spending on the Local Economy

April 2011

ROSE INSTITUTE
OF STATE AND LOCAL GOVERNMENT
CLAREMONT MCKENNA COLLEGE

1. Overview

This study provides estimates of the impact of projects undertaken by the Riverside County Economic Development Agency (RCEDA) on the local economy. We use data on recent and ongoing RCEDA projects in conjunction with economic multipliers estimated by the Bureau of Economic Analysis (a department of the United States Department of Commerce) to project impacts on the value of output and jobs in Riverside County. These estimates additionally provide the basis for estimates of tax revenues indirectly generated by these projects. The impacts are provided overall and broken down by geographical areas, industry classifications, and legislative districts.

RCEDA projects generally are enhancements to infrastructure. Over the past five years, RCEDA has funded a total of 146 projects. Of these, based on current project descriptions at least 26 are public facilities (such as libraries) and parks, and 28 are related to roads, trails and sewers. Many of the remaining projects are for similar types of public works, schools, and facilities related to public services such as public safety offices, public area restoration and beautification, and similar. Going farther back, over the past 15 years, RCEDA has financed nine fire stations and five sheriff's stations. Total spending for fiscal years 2005-2006 to 2009-2010 was about $256.6 million, with an additional $121.9 million forecast for fiscal year 2010-2011 ending in June 2011.

As these projects generally are primarily related to construction, employing local labor and other local services (architectural/engineering/design, licensing, pre-construction local improvements such as sewer) we estimate economic impacts mainly by using local spending multipliers based on construction costs. The multipliers supplied to us by the Bureau of Economic Analysis (BEA) are well suited to estimation of the local effects we seek, and are specific to Riverside County (for the primary set of estimates) and to California (for additional analysis). Though we do not have precise information on the breakdown of costs apart from construction, we use rough estimates of other types of costs (primarily architecture and engineering costs) for sensitivity analysis. We also review the literature and conclude that the BEA multipliers are well within the normal range established in the economics literature on such multipliers.

Anecdotal evidence provides support for the use of multipliers in assessing the local impacts of RCEDA spending on projects. We note that the documentation provided by the BEA specifically includes an example of the impacts of construction on the local economy. In addition, sample projects provide some insight into how RCEDA spending translates into local jobs, business income, and individual earnings. The specific examples include:

1) **Mira Loma Industrial Center** - The Mira Loma area in northwestern Riverside County at the confluence of the Interstate 15 and State Highway 60 is almost entirely within the Jurupa Valley Project Area. The RDA has invested millions of dollars in street and flood control improvements that has facilitated millions of square feet of commercial and industrial development. Additionally, early in the development of the Center, funds were provided to numerous businesses to offset permit and development costs. To date, there are approximately 10,060 jobs in the area.

2) **Wildrose Business Park** - The Park is located in the Temescal Canyon area, which is located south of Corona. The RDA contributed funds for street improvements that helped facilitate the development of the Park. It consists of office, commercial, and industrial uses. To date, there are approximately 1,500 jobs in the business park.

3) **University Research Park/Hunter Park Industrial Area** - In the late 90s, the Highgrove sub-area was overlaid onto several hundred acres of industrial land in the Hunter Park area within the city of Riverside. It is a unique partnership between the City and County that was originated in order to facilitate the acquisition and development of land for the 56-acre University Research Park (URP). The URP was designed for high-tech businesses to locate there and provides amenities such as redundant fiber capacity and view lots. Additionally, the development of an incubator facility is imminent that will allow access to wet lab space for entrepreneurs. The Park itself has approximately 200 to 300 jobs while the larger industrial area should have close to 3,000 jobs.

In brief, the results show that: (1) over the past five years RCEDA spending has generated approximately $663 to $678 million in economic activity (value of purchased goods and services) in Riverside County for the six fiscal years ending in 2011 (including the current year forecast). This figure includes the $378 million in direct spending done by the RCEDA, but also the additional economic activity due to multiplier effects. For example, demand for construction stimulates demand for inputs to the construction process, and payments to construction workers creates demand for products consumed by the construction workers; (2) the RCEDA spending resulted in earnings of about $172 million by residents of Riverside County during the same six fiscal years, including both direct payroll on projects funded by RCEDA and multiplier effects; (3) over the same six fiscal years, RCEDA spending generated between 3,357 and 4,156 jobs in Riverside County; (4) over the six years, RCEDA spending generated approximately $2.3 million in California business taxes, $7.6 million in California personal income tax, and about $5.8 million in sales tax in Riverside County. Finally, (5) spending on low- to moderate-income housing generated output value of approximately $97.3 million, income of about $24.7 million, and 598 jobs during the period from 2000 to early 2011. This spending assisted a total of 3,093 households with construction, rehabilitation, and homeownership assistance. The main results are briefly summarized here, based on our more conservative estimates:

Type of Spending	Output (millions)	Earnings (millions)	Employment	Households
Project Spending, 2005-2011	$663	$172	3,357	
Housing Spending, 2000-2011	$97	$25	598	3,093

Additional results show that the beneficial effects of RCEDA spending extend beyond Riverside County to other areas of California. In particular, using the multiplier for the entire state of California based on the RCEDA spending yields total economic activity of approximately $892 million, or roughly $214 to $229 million greater for Riverside County alone, suggesting an external benefit to other areas of the state. Similarly, overall job creation for California is approximately 6,914, suggesting up to 3,600 jobs are created elsewhere in the state due to RCEDA projects.

The remainder of this report is organized as follows: Section 2 discusses data and methods used in this analysis, Section 3 reviews related economics literature dealing with multiplier effects, Section 4 summarizes the results, and Section 5 concludes the study.

2. Data and Methods

RCEDA supplied us with information of project level expenditures from fiscal year 2005-2006 to present. For current projects, they additionally provided a breakdown into pre-construction, construction, and post-construction phase expenditures. Project level information also includes zip code and project district. We used zip code to identify legislative district or districts affected by each project. We note that, in general, geographical breakdowns of economic effects within Riverside County are necessarily crude approximations, as construction employees and other service providers receiving payments (and subsequent induced demand effects) are not restricted to the immediate area of a given project.

In a separate file, RCEDA supplied us with data on Redevelopment Low- and Moderate-Income Housing set-aside funds spent between January 1, 2000 and today. Such spending is a requirement in California for redevelopment agencies, thus ensuring that some funds are spent of critical housing needs. RDEDA indicates that they spent a total of $54.3 million assisting 3,093 households during this period. RCEDA further indicates a further 2,497 housing units underway with total projected spending of $100 million. Because the housing data are not conformable with the other projects data supplied to us, we analyze them separately.[1]

We use multipliers supplied by the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce as the basis for projecting the local economic effects of RCEDA projects. These multipliers are known as the Regional Input-Output Modeling System II (RIMS II) multipliers. As described in the RIMS II handbook[2], these multipliers are based on a framework of inputs purchased and outputs sold for nearly 500 U.S. industries collected at the regional level. Hence RIMS II multipliers are available at many levels of aggregation. For this study, we obtained the matrix of multipliers showing relationships between input and outputs by industry within Riverside County, and also the impact of construction spending on other industries overall for the entire state of California. Although our main focus is on Riverside County effects, by contrasting basic results for construction between just Riverside County and the state of

[1] We note that RCEDA indicates their spending on housing served as the basis for leveraging $92.4 million in funds obtained through other sources. We note this but do not include this figure in the base for multiplier results as this would likely introduce some double counting.

[2] U.S. Department of Commerce, Bureau of Economic Analysis, *Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II)*, Third Edition, U.S. Government Printing Office: Washington, D.C. March 1997.

California, we are able to back out estimates of spending within Riverside on the rest of California generally.

RIMS II multipliers provide several types of relationships. Those appropriate for this study provide estimates of the value of output generated across sectors of the economy by final demand spending in a given industry, earnings generated across sectors by final demand spending in a given industry, and employment generated across sectors by final demand spending in a given industry. Additionally, RIMS II provides two types of multipliers, one of which (Type I) excludes induced economic activity created when project employees subsequently spend income earned as part of the original project, and another type (Type II) that includes this induced demand. We rely on Type II multipliers in this study, as they are more likely to capture all paths by which project spending impacts the local economy directly and indirectly.

In order to estimate tax effects, we link industry level multiplier results to industry level profit margin estimated from a broad based data set that covers financial accounting values for all publicly traded firms in the United States.[3] These profit margins allow us to project from the output values by industry to the business profits generated by those industries, and thus to business taxes. We estimate personal income at the individual level by industry by dividing industry level earnings by industry level employees. This provides the basis for estimating personal taxes paid to California, which we calculate by applying California individual tax table rates to the estimated personal income taxes. Finally, sales taxes are estimated for sectors that make taxable sales in Riverside County, using the 8.75% sales tax rate applicable in Riverside County.

3. Literature Survey

A collection of recent papers examines the effects of government spending on local economies. Although these papers look at different industries and use different data than we do here, Table 1 below shows that the estimated multipliers fall in the same range as the RIMS II multipliers obtained from the BEA. For example, the RIMS II California Type I and Type II Construction

[3] This database is Standard & Poors COMPUSTAT, a standard source for corporate accounting information.

Final Demand Multipliers sum to approximately 1.56 and 2.36, respectively, across 20 economic sectors used by the BEA. These values are well within the ranges summarized in Table 1.

Moretti (2010) looked at the effect of an exogenous increase in employment in tradable industries on tradable and non-tradable jobs. In both instances, he found an increase in local jobs, with multipliers ranging from 0.29 for the effect on tradable jobs to a high of 1.89 on non-tradable jobs. Looking at more specific industries, Bergstrom et al. (1990) and Doeksen et al. (1998) found employment multipliers in the same range.

Like Frechtling and Horvath (1999) for tourism, Bergstrom et al. (1990) and Doeksen et al. (1998) also estimate earnings and output multipliers for state parks and rural hospitals, respectively. The earnings and output multipliers found for the effects of state parks on other local industries are slightly higher than those found for both tourism and the healthcare industry, but all three show multipliers in the range seen in the RIMS II multipliers used in this report.

Type I and Type II multipliers are estimated for the effects of the availability of childcare on the regional economy in Liu et al. (2004). The Type I multiplier of 1.49 estimates the change in spending between industries, while the Type 2 multiplier of 1.91 measures the effect on household spending and wages. In Olfert and Stabler (1994), local expenditures multipliers range from 1.09 to 1.43.

Another set of literature estimates these multipliers at larger government levels. Using an instrumental variables approach, Shoag finds earnings multipliers as high as 3. Blanchard and Perotti (2002) and Ramey (2009) estimate output multipliers at the federal level, looking at changes in GDP as a result of federal spending.

The main conclusion from this survey of recent multiplier research is that RIMS II multipliers supplied by BEA are consistent in magnitude with multipliers estimated in current economics research.

Table 1. Survey of multiplier studies

Study	Earnings Multiplier	Jobs Multiplier	Output Multiplier	Type I (regional economy)*	Type II (households)*	Expenditures Multiplier
	Multipliers					
Moretti (2010)**	--	0.26 - 1.89	--	--	--	--
Doeksen et al. (1998) Health sector**	1.31 - 1.55	1.44 - 1.68	1.39 - 1.99	--	--	--
Bergstrom et al. (1990) State parks***	2.01 - 2.83	1.36 - 1.81	1.80 - 2.46	--	--	--
Frechtling & Horvath (1999) Tourism expenditures**	0.35	18.00	1.18	--	--	--
Liu et al. (2004) Childcare	--	--	--	1.49	1.91	--
Olfert & Stabler (1994) Rural government funding**	--	--	--	--	--	1.09 - 1.43
Shoag (working paper) State spending	up to 3	--	--	--	--	--
Blanchard & Perotti (2002) Postwar federal spending	--	--	~1	--	--	--
Ramey (2009) Federal spending	--	--	0.6 - 1.1	--	--	--

*The Type I multiplier estimates the change in spending between industries, while the Type 2 multiplier measures the effect on household spending and wages.

**See paper for multipliers estimated by industry/sector.

***See paper for multipliers estimated by state.

4. Results

This section tabulates findings based on our analysis of the data supplied to us by RCEDA and other data information we applied as described above. First, we briefly summarize the RCEDA data. Next, we show the impacts on local output, earnings, and jobs. In each case, we tabulate results across economic sectors and geographic areas. Finally, we present estimates of consequent tax effects.

4.a. RCEDA data summary

Tables 2 – 4 summarize spending by the RCEDA over the past five years across several dimensions. Overall spending was about $256.6 million over the five fiscal years ended June 2010. In addition, spending for the current fiscal year (ending June 2011) is forecast to total approximately $121.9 million. Forecast figures were not supplied in the same format as past spending figures, and therefore are not included in the three tables below.

Table 2. RCEDA Spending by year and supervisory district

	Year					
District	2006	2007	2008	2009	2010	Total
1	25,500	8,284,786	2,563,054	2,354,764	1,991,923	15,220,027
2	28,791,108	24,537,372	15,586,937	21,792,404	34,127,405	124,835,226
3	0	4,150	452,751	395,542	3,329,281	4,181,724
4	4,922,592	6,086,503	10,614,266	26,268,010	39,565,090	87,456,461
5	1,372,073	1,106,885	4,715,785	5,581,211	12,141,095	24,917,049
TOTAL	35,111,273	40,019,696	33,932,793	56,391,931	91,154,794	256,610,487

Table 3. RCEDA Spending by year and zip code.

Zip code	Year 2006	2007	2008	2009	2010	Total
91752	5,236,705	2,926,487	225,000	6,089,624	2,829,490	17,307,306
92203	0	0	152,153	914,245	916,774	1,983,172
92225	0	0	0	0	0	0
92230	145,615	123,550	496,853	1,673,585	176,832	2,616,435
92254	2,682,566	4,445,076	5,405,786	3,852,797	4,793,939	21,180,164
92274	572,513	789,442	1,777,392	8,920,623	27,746,643	39,806,613
92276	1,581,968	757,985	3,184,935	12,486,345	6,013,734	24,024,967
92507	0	68,201	1,601,108	413,928	2,084,220	4,167,457
92509	21,114,126	20,801,587	8,751,001	10,289,893	21,513,386	82,469,993
92530	0	0	286,474	0	152,870	439,344
92544	0	0	0	0	0	0
92545	53,545	0	0	0	0	53,545
92548	0	0	0	0	0	0
92562	0	0	452,391	317,931	0	770,322
92567	0	694,046	190,428	385,796	24,416	1,294,686
92570	0	1,033,264	146,317	1,475,781	1,437,136	4,092,498
92585	1,226,458	221,088	2,427,396	3,162,341	10,642,085	17,679,368
92586	0	4,150	360	23,172	2,542,823	2,570,505
92595	25,500	7,251,522	2,130,263	878,983	365,017	10,651,285
92879	2,256,459	512,149	32,124	736,931	0	3,537,663
92881	183,818	297,149	6,578,812	4,675,956	9,784,529	21,520,264
92883	0	0	0	0	36,900	36,900
Total	35,079,273	39,925,696	33,838,793	56,297,931	91,060,794	256,202,487

Table 4. RCEDA Spending by year and legislative district.

Year	2006	2007	2008	2009	2010	Total
Assembly District 61	$5,236,705	$2,926,487	$225,000	$6,089,624	$2,829,490	$17,307,306
Assembly District 62	$26,350,831	$23,796,275	$10,577,109	$16,793,445	$26,427,096	$103,944,756
Assembly District 63	$0	$68,201	$1,601,108	$413,928	$2,084,220	$4,167,457
Assembly District 64	$24,757,928	$31,224,388	$27,488,602	$43,559,198	$83,236,117	$210,266,233
Assembly District 65	$1,425,618	$2,076,098	$3,261,354	$6,720,675	$14,823,292	$28,307,037
Assembly District 66	$28,816,608	$32,822,158	$18,602,382	$24,465,099	$36,119,328	$140,825,575
Assembly District 71	$28,791,108	$24,537,372	$16,325,802	$22,110,335	$34,317,175	$126,081,792
Assembly District 73	$0	$0	$738,865	$317,931	$152,870	$1,209,666
Assembly District 77	$572,513	$789,442	$1,777,392	$8,920,623	$27,746,643	$39,806,613
Assembly District 80	$4,982,662	$6,116,053	$11,017,119	$27,847,595	$39,647,922	$89,611,351
Senate District 31	$28,607,290	$24,308,424	$10,609,233	$17,530,376	$26,427,096	$107,482,419
Senate District 32	$26,350,831	$23,796,275	$10,577,109	$16,793,445	$26,427,096	$103,944,756
Senate District 33	$0	$0	$738,865	$317,931	$189,770	$1,246,566
Senate District 36	$598,013	$8,045,114	$4,646,880	$10,140,709	$30,807,353	$54,238,069
Senate District 37	$32,396,707	$35,480,620	$27,980,616	$52,127,203	$86,266,855	$234,252,001
Senate District 38	$0	$0	$452,391	$317,931	$0	$770,322
Senate District 40	$4,837,047	$5,992,503	$10,520,266	$26,174,010	$39,471,090	$86,994,916

The tables are included primarily to provide background on the pattern of spending across time and geographical areas. It is very important to note that in Table 4, there can be significant double- and triple-counting. This occurs when spending for any zip code is fully attributed to all assembly and senate districts that fall within the zip code, and spending for all zip codes that overlap a given assembly or senate district are attributed to the senate or assembly district. We believe it is inappropriate to try to parcel out spending strictly into small districts as spending at a particular project address is likely to actually go to vendors not necessarily in that same immediate location, and subsequent multiplier effects typically will fan out even farther. Hence, these numbers are suggestive of impact in legislative districts rather than being precise values spent in the districts.[4]

4.b. Output, earnings, jobs and tax effects.

This section summarizes the effects of RCEDA spending on the value of output, earnings, and jobs during the five fiscal years ending June 2010. These are estimated using the RIMS II Type II multipliers as described above applied to the RCEDA spending figures summarized in section 4.a. above. The tables below are split into four groups. The first two groups show output, earnings, and jobs split out by industry sector and year based on the assumption that all project cost is related to construction, and uses Riverside County specific multipliers. This includes Tables 5 - 7. Overall, these three tables include point estimates for total value of output created by the project spending and multiplier effects of about $678 million, along with about $172 in earnings, and 4,166 jobs.

The second group is the same as the first except that not all cost is assumed to go to construction. As noted above, we do not have precise figures regarding other types of project costs, but RCEDA personnel indicate that it is reasonable to assume that approximately 10% on average goes to architects' fees, 10% to engineering fees, and another 5% to costs that could reasonably be characterized as NAICS code 541610 – "Management, scientific, and technical consulting

[4] This caution actually applies to breakdowns presented by zip code within Riverside County as well as the legislative district in terms of how likely it is that all multiplier effects remain within the immediate area of the initial spending. However, this concern lessens as the geographical area in question increases.

services" for tasks such as compliance and technical documentation preparation. Hence, Tables 8-10 provide a rough estimate of the impact on the basic results if we assume these fractions are spent on costs other than construction in applying the RIMS II multipliers to obtain output, earnings and employment results for Riverside County. Differences in the multiplier impacts across input industry segments generate slightly smaller estimates than the overall figures using just construction. Here, estimated output is $662 million, along with $172 million in earnings and 3,145 jobs. Note that there are fewer but higher paying secondary effect jobs in this scenario.

The third group assumes all costs are construction costs, and hence is comparable to the first group in this dimension, but uses California (statewide) multipliers rather than those just for Riverside County. Hence comparing the results in Tables 11 - 13 to Tables 5 - 7 allows us to infer the impacts of spending within Riverside County on output, earnings, and jobs within California but external to Riverside County. The results for the construction-only analysis show statewide output value at $892 million, $295 million in income and 6,914 jobs. Hence, relative to the results in Tables 5 - 7, we can infer roughly $224 million in value created outside of Riverside County as multiplier effects from the Riverside projects, along with $123 million in income and 2,748 jobs.

The fourth group (Tables 14 - 16) presents the same information as the first group (Tables 5 – 7 using Riverside County multipliers and assuming all costs are construction), but presents the figures split out by zip code rather than industry, allowing a tighter interpretation of where the benefits are going. It is worth noting again that these results should be interpreted bearing in mind that multiplier effects are likely to cross zip code boundaries within Riverside County even if they are quite accurate for the county as a whole, so caution should be applied when using these figures. The fifth group (Tables 17 - 19) similarly present the same information as the second group but again by zip code rather than industry.

Finally, Table 20 summarizes the three sources of tax revenues based on the assumptions described in the data section above. In particular, using profit margins estimated from a large data set of accounting information, and applying these margins to output value predicted in the multipliers given in Table 5, we estimate total Business Tax revenues in Riverside County associated with RCEDA spending of roughly $2.3 million over the six fiscal years in question. Applying the sales tax rate for just industries likely to making taxable sales to consumer of goods and services, we find sales tax revenues collected in Riverside County and spurred by multiplier effects on the Riverside projects as about $5.8 million. Finally, California personal income taxes paid due to the direct spending on projects and multiplier effects creating other jobs based on the Riverside RIMS are about $7.6 million. Collectively, over the six fiscal years we examined, the three types of taxes revenues total about $15.6 million.

Table 5. Output Based on Riverside County Type II Multipliers (Construction Only)

Industry	Year 2006	2007	2008	2009	2010	2011	Total
Agriculture, forestry, fishing, and hunting	$238,757	$272,134	$230,743	$383,465	$619,853	$828,707	$2,573,658
Mining	$393,246	$448,221	$380,047	$631,590	$1,020,934	$1,364,929	$4,238,967
Utilities	$733,826	$836,412	$709,195	$1,178,591	$1,905,135	$2,547,056	$7,910,215
Construction	$35,328,963	$40,267,818	$34,143,176	$56,741,561	$91,719,954	$122,624,285	$380,825,757
Manufacturing	$6,611,453	$7,535,709	$6,389,545	$10,618,601	$17,164,448	$22,947,876	$71,267,631
Wholesale trade	$1,580,007	$1,800,886	$1,526,976	$2,537,637	$4,101,966	$5,484,091	$17,031,563
Retail trade	$3,440,905	$3,921,930	$3,325,414	$5,526,409	$8,933,170	$11,943,132	$37,090,960
Transportation and warehousing	$1,299,117	$1,480,729	$1,255,513	$2,086,501	$3,372,727	$4,509,142	$14,003,730
Information	$835,648	$952,469	$807,600	$1,342,128	$2,169,484	$2,900,475	$9,007,805
Finance and insurance	$1,246,450	$1,420,699	$1,204,614	$2,001,914	$3,235,995	$4,326,339	$13,436,011
Real estate and rental and leasing	$3,683,173	$4,198,066	$3,559,550	$5,915,514	$9,562,138	$12,784,027	$39,702,467
Professional, scientific, and technical services	$2,004,854	$2,285,125	$1,937,562	$3,219,979	$5,204,939	$6,958,703	$21,611,162
Management of companies and enterprises	$158,001	$180,089	$152,698	$253,764	$410,197	$548,409	$1,703,156
Administrative and waste management services	$965,560	$1,100,542	$933,152	$1,550,778	$2,506,757	$3,351,389	$10,408,178
Educational services	$196,623	$224,110	$190,024	$315,795	$510,467	$682,465	$2,119,483
Health care and social assistance	$1,716,941	$1,956,963	$1,659,314	$2,757,565	$4,457,469	$5,959,379	$18,507,632
Arts, entertainment, and recreation	$189,601	$216,106	$183,237	$304,516	$492,236	$658,091	$2,043,788
Accommodation	$298,446	$340,167	$288,429	$479,331	$774,816	$1,035,884	$3,217,073
Food services and drinking places	$758,403	$864,425	$732,948	$1,218,066	$1,968,944	$2,632,364	$8,175,150
Other services	$1,218,361	$1,388,683	$1,177,468	$1,956,800	$3,163,071	$4,228,844	$13,133,228
Total	$62,898,334	$71,691,283	$60,787,205	$101,020,505	$163,294,698	$218,315,587	$678,007,614

Table 6. Earnings Based on Riverside County Type II Multipliers (Construction Only)

	Year						
Industry	2006	2007	2008	2009	2010	2011	Total
Agriculture, forestry, fishing, and hunting	$42,134	$48,024	$40,719	$67,670	$109,386	$146,242	$454,175
Mining	$80,756	$92,045	$78,045	$129,701	$209,656	$280,298	$870,502
Utilities	$122,889	$140,069	$118,765	$197,372	$319,042	$426,540	$1,324,677
Construction	$9,813,601	$11,185,505	$9,484,216	$15,761,545	$25,477,765	$34,062,301	$105,784,932
Manufacturing	$1,046,316	$1,192,587	$1,011,197	$1,680,480	$2,716,413	$3,631,687	$11,278,680
Wholesale trade	$372,179	$424,209	$359,688	$597,754	$966,241	$1,291,808	$4,011,879
Retail trade	$1,011,205	$1,152,567	$977,264	$1,624,088	$2,625,258	$3,509,819	$10,900,201
Transportation and warehousing	$277,379	$316,156	$268,069	$445,496	$720,123	$962,763	$2,989,986
Information	$136,934	$156,077	$132,338	$219,929	$355,504	$475,288	$1,476,069
Finance and insurance	$266,846	$304,150	$257,889	$428,579	$692,776	$926,202	$2,876,442
Real estate and rental and leasing	$273,868	$312,154	$264,676	$439,857	$711,007	$950,576	$2,952,138
Professional, scientific, and technical services	$639,025	$728,358	$617,577	$1,026,333	$1,659,017	$2,218,010	$6,888,321
Management of companies and enterprises	$52,667	$60,030	$50,899	$84,588	$136,732	$182,803	$567,719
Administrative and waste management services	$368,668	$420,207	$356,294	$592,115	$957,125	$1,279,621	$3,974,031
Educational services	$70,223	$80,039	$67,866	$112,784	$182,310	$243,737	$756,958
Health care and social assistance	$688,181	$784,386	$665,083	$1,105,282	$1,786,634	$2,388,626	$7,418,192
Arts, entertainment, and recreation	$63,200	$72,035	$61,079	$101,505	$164,079	$219,364	$681,263
Accommodation	$84,267	$96,047	$81,439	$135,341	$218,772	$292,485	$908,350
Food services and drinking places	$224,712	$256,126	$217,170	$360,908	$583,391	$779,960	$2,422,267
Other services	$319,513	$364,179	$308,788	$513,167	$829,509	$1,109,005	$3,444,161
Total	$15,954,562	$18,184,950	$15,419,061	$25,624,493	$41,420,738	$55,377,137	$171,980,942

Table 7. Employment Based on Riverside County Type II Multipliers (Construction Only)

Industry	Year: 2006	2007	2008	2009	2010	2011	Total
Agriculture, forestry, fishing, and hunting	1	2	1	2	4	5	16
Mining	1	2	1	2	4	5	15
Utilities	1	1	1	2	3	4	13
Construction	216	247	209	348	562	751	2,333
Manufacturing	22	25	21	36	57	77	238
Wholesale trade	6	7	6	10	16	21	65
Retail trade	40	45	38	64	103	137	427
Transportation and warehousing	7	8	6	11	17	23	71
Information	2	2	2	3	5	7	21
Finance and insurance	4	4	4	6	10	13	42
Real estate and rental and leasing	11	12	10	17	27	36	113
Professional, scientific, and technical services	11	12	10	17	27	37	114
Management of companies and enterprises	1	1	1	1	2	2	7
Administrative and waste management services	16	18	16	26	42	56	174
Educational services	3	3	3	4	7	9	29
Health care and social assistance	16	18	15	25	40	54	168
Arts, entertainment, and recreation	3	3	3	5	7	10	31
Accommodation	3	3	3	5	7	10	31
Food services and drinking places	13	15	13	21	35	46	144
Other services	11	12	10	17	28	37	116
Total	386	440	373	621	1,003	1,341	4,166

Table 8. Output Based on Riverside Type II Multipliers (Construction, Architecture, Engineering, Management/Science)

Industry	Year 2006	2007	2008	2009	2010	2011	Total
Agriculture, forestry, fishing, and hunting	$214,003	$243,920	$206,820	$343,709	$555,588	$742,790	$2,306,831
Mining	$298,972	$340,768	$288,938	$480,177	$776,183	$1,037,712	$3,222,750
Utilities	$692,570	$789,389	$669,324	$1,112,331	$1,798,028	$2,403,860	$7,465,502
Construction	$26,560,274	$30,273,299	$25,668,801	$42,658,240	$68,954,955	$92,188,796	$286,304,365
Manufacturing	$5,425,394	$6,183,843	$5,243,295	$8,713,681	$14,085,239	$18,831,151	$58,482,604
Wholesale trade	$1,376,537	$1,568,972	$1,330,335	$2,210,846	$3,573,724	$4,777,862	$14,838,276
Retail trade	$3,020,974	$3,443,295	$2,919,578	$4,851,962	$7,842,958	$10,485,583	$32,564,349
Transportation and warehousing	$1,184,830	$1,350,465	$1,145,062	$1,902,946	$3,076,019	$4,112,459	$12,771,780
Information	$874,095	$996,290	$844,757	$1,403,877	$2,269,299	$3,033,921	$9,422,239
Finance and Insurance	$1,334,228	$1,520,748	$1,289,446	$2,142,893	$3,463,882	$4,631,011	$14,382,209
Real estate and rental and leasing	$3,749,708	$4,273,903	$3,623,853	$6,022,376	$9,734,876	$13,014,968	$40,419,685
Professional, scientific, and technical services	$10,832,530	$12,346,877	$10,468,945	$17,398,039	$28,123,077	$37,598,931	$116,768,398
Management of companies and enterprises	$163,970	$186,892	$158,466	$263,350	$425,693	$569,127	$1,767,498
Administrative and waste management services	$1,222,399	$1,393,286	$1,181,370	$1,963,285	$3,173,554	$4,242,859	$13,176,753
Educational services	$198,554	$226,311	$191,890	$318,896	$515,480	$689,167	$2,140,300
Health care and social assistance	$1,716,239	$1,956,163	$1,658,635	$2,756,438	$4,455,646	$5,956,942	$18,500,063
Arts, entertainment, and recreation	$204,699	$233,315	$197,828	$328,765	$531,432	$710,495	$2,206,534
Accommodation	$360,066	$410,402	$347,981	$578,299	$934,792	$1,249,764	$3,881,304
Food services and drinking places	$890,773	$1,015,300	$860,875	$1,430,663	$2,312,597	$3,091,809	$9,602,017
Other services	$1,178,510	$1,343,261	$1,138,954	$1,892,795	$3,059,611	$4,090,523	$12,703,654
Total	$61,499,326	$70,096,699	$59,435,153	$98,773,569	$159,662,635	$213,459,729	$662,927,111

Table 9. Earnings Based on Riverside Type II Multipliers (Construction, Architecture, Engineering, Management/Science)

Industry	Year 2006	2007	2008	2009	2010	2011	Total
Agriculture, forestry, fishing, and hunting	$37,920	$43,221	$36,647	$60,903	$98,447	$131,618	$408,758
Mining	$61,445	$70,034	$59,382	$98,686	$159,521	$213,270	$662,339
Utilities	$116,218	$132,465	$112,318	$186,657	$301,722	$403,385	$1,252,766
Construction	$7,377,932	$8,409,339	$7,130,298	$11,849,636	$19,154,357	$25,608,270	$79,529,831
Manufacturing	$850,922	$969,877	$822,361	$1,366,658	$2,209,136	$2,953,488	$9,172,443
Wholesale trade	$324,077	$369,382	$313,200	$520,498	$841,359	$1,124,848	$3,493,363
Retail trade	$887,437	$1,011,498	$857,651	$1,425,306	$2,303,937	$3,080,231	$9,566,061
Transportation and warehousing	$267,548	$304,950	$258,568	$429,707	$694,600	$928,639	$2,884,011
Information	$144,132	$164,281	$139,294	$231,489	$374,190	$500,271	$1,553,657
Finance and insurance	$285,630	$325,560	$276,043	$458,748	$741,544	$991,402	$3,078,928
Real estate and rental and leasing	$276,677	$315,355	$267,390	$444,368	$718,300	$960,325	$2,982,416
Professional, scientific, and technical services	$3,318,718	$3,782,662	$3,207,328	$5,330,165	$8,615,951	$11,519,029	$35,773,853
Management of companies and enterprises	$55,125	$62,831	$53,274	$88,535	$143,113	$191,334	$594,212
Administrative and waste management services	$481,376	$548,670	$465,219	$773,133	$1,249,732	$1,670,820	$5,188,950
Educational services	$70,925	$80,840	$68,544	$113,912	$184,133	$246,175	$764,528
Health care and social assistance	$687,479	$783,586	$664,404	$1,104,154	$1,784,811	$2,386,189	$7,410,622
Arts, entertainment, and recreation	$67,765	$77,238	$65,490	$108,836	$175,929	$235,207	$730,465
Accommodation	$102,174	$116,457	$98,744	$164,101	$265,260	$354,638	$1,101,374
Food services and drinking places	$264,563	$301,548	$255,684	$424,913	$686,851	$918,281	$2,851,841
Other services	$308,277	$351,373	$297,930	$495,121	$800,339	$1,070,007	$3,323,047
Total	$15,986,338	$18,221,168	$15,449,770	$25,675,528	$41,503,233	$55,487,428	$172,323,466

Table 10. Employment Based on Riverside Type II Multipliers (Construction, Architecture, Engineering, Management/Science)

	Year						
Industry	2006	2007	2008	2009	2010	2011	Total
Agriculture, forestry, fishing, and hunting	1	1	0	1	1	2	5
Mining	1	1	1	2	3	4	11
Utilities	0	1	0	1	1	2	5
Construction	162	185	156	260	420	562	1,745
Manufacturing	15	17	15	25	40	53	164
Wholesale trade	3	4	3	5	8	11	35
Retail trade	16	18	15	26	42	56	173
Transportation and warehousing	4	5	4	7	11	15	46
Information	1	1	1	2	3	3	11
Finance and Insurance	2	2	2	3	5	7	20
Real estate and rental and leasing	5	6	5	8	13	18	55
Professional, scientific, and technical services	54	62	53	87	141	189	587
Management of companies and enterprises	0	1	0	1	1	2	5
Administrative and waste management services	16	18	15	26	41	55	171
Educational services	0	0	0	0	0	0	1
Health care and social assistance	0	0	0	0	0	1	2
Arts, entertainment, and recreation	1	1	1	1	2	2	7
Accommodation	2	2	1	2	4	5	16
Food services and drinking places	5	5	4	7	12	16	50
Other services	3	4	3	5	8	11	34
Total	292	333	282	469	757	1,013	3,145

Table 11. Output based on California Type II Multiplier

Industry	Year 2006	2007	2008	2009	2010	2011	Total
Agriculture, forestry, fishing, and hunting	$407,291	$464,228	$393,620	$654,146	$1,057,396	$1,413,677	$4,390,359
Mining	$459,958	$524,258	$444,520	$738,734	$1,194,128	$1,596,480	$4,958,077
Utilities	$832,137	$948,467	$804,207	$1,336,489	$2,160,369	$2,888,288	$8,969,957
Construction	$35,472,919	$40,431,899	$34,282,301	$56,972,768	$92,093,688	$123,123,947	$382,377,522
Manufacturing	$9,034,131	$10,297,068	$8,730,908	$14,509,644	$23,454,128	$31,356,816	$97,382,695
Wholesale trade	$2,728,146	$3,109,530	$2,636,578	$4,381,653	$7,082,727	$9,469,198	$29,407,833
Retail trade	$4,592,555	$5,234,576	$4,438,409	$7,376,065	$11,923,047	$15,940,426	$49,505,078
Transportation and warehousing	$1,601,074	$1,824,898	$1,547,335	$2,571,472	$4,156,659	$5,557,213	$17,258,651
Information	$2,619,301	$2,985,469	$2,531,386	$4,206,838	$6,800,148	$9,091,405	$28,234,547
Finance and insurance	$4,273,042	$4,870,397	$4,129,621	$6,862,898	$11,093,538	$14,831,421	$46,060,917
Real estate and rental and leasing	$6,316,518	$7,199,543	$6,104,509	$10,144,908	$16,398,747	$21,924,179	$68,088,406
Professional, scientific, and technical services	$4,522,332	$5,154,537	$4,370,544	$7,263,281	$11,740,737	$15,696,688	$48,748,119
Management of companies and enterprises	$944,493	$1,076,530	$912,792	$1,516,943	$2,452,064	$3,278,268	$10,181,090
Administrative and waste management services	$1,537,874	$1,752,863	$1,486,256	$2,469,967	$3,992,580	$5,337,849	$16,577,388
Educational services	$435,380	$496,244	$420,767	$699,260	$1,130,319	$1,511,172	$4,693,142
Health care and social assistance	$2,921,258	$3,329,639	$2,823,208	$4,691,809	$7,584,079	$10,139,476	$31,489,468
Arts, entertainment, and recreation	$502,091	$572,282	$485,239	$806,405	$1,303,514	$1,742,722	$5,412,252
Accommodation	$456,447	$520,256	$441,126	$733,095	$1,185,012	$1,584,293	$4,920,229
Food services and drinking places	$1,256,984	$1,432,705	$1,214,794	$2,018,831	$3,263,342	$4,362,899	$13,549,555
Other services	$1,857,386	$2,117,042	$1,795,045	$2,983,133	$4,822,089	$6,446,854	$20,021,549
Total	$82,771,315	$94,342,431	$79,993,166	$132,938,338	$214,888,311	$287,293,271	$892,226,833

Table 12. Earnings based on California Type II Multiplier

	Year						
Industry	2006	2007	2008	2009	2010	2011	Total
Agriculture, forestry, fishing, and hunting	$87,778	$100,049	$84,832	$140,980	$227,887	$304,672	$946,198
Mining	$101,823	$116,057	$98,405	$163,537	$264,349	$353,419	$1,097,590
Utilities	$143,956	$164,081	$139,124	$231,207	$373,735	$499,662	$1,551,765
Construction	$13,802,241	$15,731,742	$13,338,981	$22,167,668	$35,832,950	$47,906,586	$148,780,168
Manufacturing	$1,804,719	$2,057,012	$1,744,146	$2,898,545	$4,685,356	$6,264,051	$19,453,830
Wholesale trade	$884,804	$1,008,496	$855,106	$1,421,077	$2,297,101	$3,071,091	$9,537,675
Retail trade	$1,611,607	$1,836,904	$1,557,515	$2,588,390	$4,184,005	$5,593,773	$17,372,195
Transportation and warehousing	$568,803	$648,319	$549,711	$913,549	$1,476,708	$1,974,273	$6,131,363
Information	$603,914	$688,339	$583,644	$969,941	$1,567,862	$2,096,142	$6,509,842
Finance and insurance	$1,253,472	$1,428,703	$1,211,401	$2,013,192	$3,254,226	$4,350,713	$13,511,707
Real estate and rental and leasing	$533,691	$608,299	$515,778	$857,157	$1,385,553	$1,852,404	$5,752,884
Professional, scientific, and technical services	$2,099,654	$2,393,178	$2,029,181	$3,372,237	$5,451,057	$7,287,748	$22,633,055
Management of companies and enterprises	$386,224	$440,217	$373,261	$620,311	$1,002,703	$1,340,556	$4,163,271
Administrative and waste management services	$698,714	$796,392	$675,263	$1,122,199	$1,813,980	$2,425,187	$7,531,736
Educational services	$179,067	$204,100	$173,057	$287,599	$464,889	$621,530	$1,930,244
Health care and social assistance	$1,386,895	$1,580,778	$1,340,345	$2,227,481	$3,600,614	$4,813,814	$14,949,928
Arts, entertainment, and recreation	$172,045	$196,097	$166,271	$276,320	$446,658	$597,157	$1,854,548
Accommodation	$140,445	$160,079	$135,731	$225,568	$364,619	$487,475	$1,513,917
Food services and drinking places	$403,780	$460,227	$390,227	$648,507	$1,048,280	$1,401,490	$4,352,511
Other services	$551,247	$628,309	$532,745	$885,353	$1,431,130	$1,913,339	$5,942,123
Total	$27,414,882	$31,247,379	$26,494,725	$44,030,820	$71,173,663	$95,155,080	$295,516,548

Table 13. Employment Based on California Type II Multiplier

Industry	Year 2006	2007	2008	2009	2010	2011	Total
Agriculture, forestry, fishing, and hunting	4	4	3	6	9	12	38
Mining	1	1	1	2	3	4	13
Utilities	1	2	1	2	4	5	15
Construction	304	347	294	489	790	1,056	3,280
Manufacturing	35	39	33	56	90	120	373
Wholesale trade	14	16	14	23	37	50	155
Retail trade	63	72	61	101	164	219	680
Transportation and warehousing	13	15	13	21	34	46	143
Information	8	9	8	13	21	29	89
Finance and insurance	17	20	17	28	45	61	188
Real estate and rental and leasing	22	25	21	36	58	77	239
Professional, scientific, and technical services	31	36	30	51	82	109	339
Management of companies and enterprises	5	5	4	7	12	16	50
Administrative and waste management services	29	33	28	46	74	100	309
Educational services	7	8	6	11	17	23	72
Health care and social assistance	31	36	30	50	82	109	339
Arts, entertainment, and recreation	7	8	7	12	19	25	78
Accommodation	5	5	5	8	12	16	51
Food services and drinking places	24	27	23	38	62	83	258
Other services	19	22	18	31	50	66	206
Total	641	731	620	1,030	1,665	2,226	6,914

Table 14. Output Based on Riverside County Type II Multiplier (Construction Only)

	Year						
Zip Code	2006	2007	2008	2009	2010	2011	Total
91752	$9,389,591	$5,254,852	$404,185	$10,927,167	$5,073,981	N/A	$31,049,775
92203	$0	$0	$273,324	$1,640,513	$1,644,004	N/A	$3,557,841
92225	$0	$0	$0	$0	$0	N/A	$0
92230	$261,093	$221,849	$892,535	$3,003,066	$317,104	N/A	$4,695,646
92254	$4,809,932	$7,981,657	$9,710,826	$6,913,425	$8,596,727	N/A	$38,012,567
92274	$1,026,535	$1,417,536	$3,192,865	$16,007,086	$49,756,646	N/A	$71,400,668
92276	$2,836,523	$1,361,051	$5,721,342	$22,405,386	$10,784,124	N/A	$43,108,425
92507	$0	$122,463	$2,876,192	$742,749	$3,737,526	N/A	$7,478,930
92509	$37,858,349	$37,351,696	$15,720,091	$18,464,092	$38,578,863	N/A	$147,973,091
92530	$0	$0	$514,615	$0	$274,134	N/A	$788,749
92544	$0	$0	$0	$0	$0	N/A	$0
92545	$96,008	$0	$0	$0	$0	N/A	$96,008
92548	$0	$0	$0	$0	$0	N/A	$0
92562	$0	$0	$812,664	$570,493	$0	N/A	$1,383,157
92567	$0	$1,246,241	$342,080	$692,269	$43,784	N/A	$2,324,374
92570	$0	$1,855,347	$262,840	$2,648,128	$2,577,143	N/A	$7,343,459
92585	$2,199,081	$396,990	$4,360,517	$5,674,476	$19,083,911	N/A	$31,714,974
92586	$0	$7,452	$647	$41,580	$4,559,915	N/A	$4,609,594
92595	$45,722	$13,020,961	$3,826,754	$1,577,239	$654,566	N/A	$19,125,243
92879	$4,045,908	$919,624	$57,707	$1,322,342	$0	N/A	$6,345,581
92881	$329,592	$533,566	$11,818,022	$8,390,494	$17,546,099	N/A	$38,617,773
92883	$0	$0	$0	$0	$66,171	N/A	$66,171
Total	$62,898,334	$71,691,283	$60,787,205	$101,020,505	$163,294,698	$218,315,587	$678,007,614

Table 15. Earnings Based on Riverside County Type II Multiplier (Construction Only)

Zip Code	Year 2006	2007	2008	2009	2010	2011	Total
91752	$2,381,729	$1,332,927	$102,524	$2,771,745	$1,287,047	N/A	$7,875,973
92203	$0	$0	$69,330	$416,127	$417,012	N/A	$902,469
92225	$0	$0	$0	$0	$0	N/A	$0
92230	$66,228	$56,273	$226,397	$761,747	$80,435	N/A	$1,191,080
92254	$1,220,070	$2,024,598	$2,463,213	$1,753,634	$2,180,615	N/A	$9,642,129
92274	$260,387	$359,567	$809,890	$4,060,299	$12,621,090	N/A	$18,111,234
92276	$719,502	$345,239	$1,451,255	$5,683,269	$2,735,462	N/A	$10,934,726
92507	$0	$31,063	$729,565	$188,403	$948,047	N/A	$1,897,078
92509	$9,603,011	$9,474,495	$3,987,501	$4,683,534	$9,785,774	N/A	$37,534,315
92530	$0	$0	$130,535	$0	$69,536	N/A	$200,071
92544	$0	$0	$0	$0	$0	N/A	$0
92545	$24,353	$0	$0	$0	$0	N/A	$24,353
92548	$0	$0	$0	$0	$0	N/A	$0
92562	$0	$0	$206,138	$144,709	$0	N/A	$350,847
92567	$0	$316,117	$86,771	$175,598	$11,106	N/A	$589,592
92570	$0	$470,621	$66,671	$671,715	$653,709	N/A	$1,862,715
92585	$557,811	$100,699	$1,106,073	$1,439,367	$4,840,755	N/A	$8,044,705
92586	$0	$1,890	$164	$10,547	$1,156,652	N/A	$1,169,253
92595	$11,598	$3,302,849	$970,680	$400,077	$166,035	N/A	$4,851,239
92879	$1,026,270	$233,268	$14,638	$335,421	$0	N/A	$1,609,597
92881	$83,603	$135,342	$2,997,716	$2,128,302	$4,450,680	N/A	$9,795,644
92883	$0	$0	$0	$0	$16,785	N/A	$16,785
Total	$15,954,562	$18,184,950	$15,419,061	$25,624,493	$41,420,738	$55,377,137	$171,980,942

Table 16. Employment Based on Riverside County Type II Multiplier (Construction Only)

	Year						
Zip Code	2006	2007	2008	2009	2010	2011	Total
91752	58	32	2	67	31	N/A	191
92203	0	0	2	10	10	N/A	22
92225	0	0	0	0	0	N/A	0
92230	2	1	5	18	2	N/A	29
92254	30	49	60	42	53	N/A	234
92274	6	9	20	98	306	N/A	439
92276	17	8	35	138	66	N/A	265
92507	0	1	18	5	23	N/A	46
92509	233	229	97	113	237	N/A	909
92530	0	0	3	0	2	N/A	5
92544	0	0	0	0	0	N/A	0
92545	1	0	0	0	0	N/A	1
92548	0	0	0	0	0	N/A	0
92562	0	0	5	4	0	N/A	8
92567	0	8	2	4	0	N/A	14
92570	0	11	2	16	16	N/A	45
92585	14	2	27	35	117	N/A	195
92586	0	0	0	0	28	N/A	28
92595	0	80	24	10	4	N/A	118
92879	25	6	0	8	0	N/A	39
92881	2	3	73	52	108	N/A	237
92883	0	0	0	0	0	N/A	0
Total	386	440	373	621	1003	1341	4166

Table 17. Output Based on Riverside County Type II Multipliers (Construction, Architecture, Engineering, Management/Science)

	Year						
Zip Code	2006	2007	2008	2009	2010	2011	Total
91752	$9,180,744	$5,137,971	$395,195	$10,684,121	$4,961,123	N/A	$30,359,154
92203	$0	$0	$267,245	$1,604,024	$1,607,438	N/A	$3,478,707
92225	$0	$0	$0	$0	$0	N/A	$0
92230	$255,285	$216,914	$872,683	$2,936,271	$310,051	N/A	$4,591,204
92254	$4,702,948	$7,804,126	$9,494,834	$6,759,654	$8,405,516	N/A	$37,167,077
92274	$1,003,703	$1,386,007	$3,121,848	$15,651,051	$48,649,940	N/A	$69,812,548
92276	$2,773,432	$1,330,778	$5,594,085	$21,907,037	$10,544,259	N/A	$42,149,591
92507	$0	$119,739	$2,812,219	$726,228	$3,654,394	N/A	$7,312,581
92509	$37,016,289	$36,520,906	$15,370,438	$18,053,407	$37,720,777	N/A	$144,681,817
92530	$0	$0	$503,169	$0	$268,037	N/A	$771,205
92544	$0	$0	$0	$0	$0	N/A	$0
92545	$93,873	$0	$0	$0	$0	N/A	$93,873
92548	$0	$0	$0	$0	$0	N/A	$0
92562	$0	$0	$794,589	$557,803	$0	N/A	$1,352,392
92567	$0	$1,218,522	$334,472	$676,871	$42,810	N/A	$2,272,675
92570	$0	$1,814,080	$256,994	$2,589,228	$2,519,821	N/A	$7,180,123
92585	$2,150,168	$388,160	$4,263,528	$5,548,263	$18,659,439	N/A	$31,009,558
92586	$0	$7,286	$632	$40,655	$4,458,492	N/A	$4,507,065
92595	$44,705	$12,731,344	$3,741,638	$1,542,158	$640,007	N/A	$18,699,852
92879	$3,955,917	$899,169	$56,423	$1,292,930	$0	N/A	$6,204,440
92881	$322,261	$521,698	$11,555,161	$8,203,869	$17,155,832	N/A	$37,758,821
92883	$0	$0	$0	$0	$64,699	N/A	$64,699
Total	$61,499,326	$70,096,699	$59,435,153	$98,773,569	$159,662,635	$213,459,729	$662,927,111

Table 18. Earnings Based on Riverside County Type II Multipliers (Construction, Architecture, Engineering, Management/Science)

	Year						
Zip Code	2006	2007	2008	2009	2010	2011	Total
91752	$2,386,473	$1,335,581	$102,728	$2,777,266	$1,289,611	N/A	$7,891,659
92203	$0	$0	$69,468	$416,955	$417,843	N/A	$904,266
92225	$0	$0	$0	$0	$0	N/A	$0
92230	$66,360	$56,385	$226,848	$763,264	$80,596	N/A	$1,193,453
92254	$1,222,500	$2,028,630	$2,468,119	$1,757,127	$2,184,958	N/A	$9,661,333
92274	$260,906	$360,283	$811,503	$4,068,386	$12,646,226	N/A	$18,147,305
92276	$720,935	$345,927	$1,454,145	$5,694,588	$2,740,910	N/A	$10,956,504
92507	$0	$31,125	$731,018	$188,778	$949,935	N/A	$1,900,856
92509	$9,622,137	$9,493,365	$3,995,443	$4,692,862	$9,805,264	N/A	$37,609,070
92530	$0	$0	$130,795	$0	$69,674	N/A	$200,470
92544	$0	$0	$0	$0	$0	N/A	$0
92545	$24,402	$0	$0	$0	$0	N/A	$24,402
92548	$0	$0	$0	$0	$0	N/A	$0
92562	$0	$0	$206,548	$144,997	$0	N/A	$351,545
92567	$0	$316,747	$86,944	$175,948	$11,128	N/A	$590,767
92570	$0	$471,558	$66,804	$673,052	$655,011	N/A	$1,866,425
92585	$558,922	$100,899	$1,108,276	$1,442,234	$4,850,396	N/A	$8,060,727
92586	$0	$1,894	$164	$10,568	$1,158,955	N/A	$1,171,581
92595	$11,621	$3,309,428	$972,614	$400,874	$166,366	N/A	$4,860,901
92879	$1,028,314	$233,733	$14,667	$336,089	$0	N/A	$1,612,803
92881	$83,770	$135,612	$3,003,687	$2,132,541	$4,459,544	N/A	$9,815,153
92883	$0	$0	$0	$0	$16,818	N/A	$16,818
Total	$15,986,338	$18,221,168	$15,449,770	$25,675,528	$41,503,233	$55,487,428	$172,323,466

Table 19. Employment Based on Riverside County Type II Multipliers (Construction, Architecture, Engineering, Management/Science)

Year

Zip Code	2006	2007	2008	2009	2010	2011	Total
91752	47	26	2	54	25	N/A	154
92203	0	0	1	8	8	N/A	18
92225	0	0	0	0	0	N/A	0
92230	1	1	4	15	2	N/A	23
92254	24	39	48	34	42	N/A	188
92274	5	7	16	79	246	N/A	353
92276	14	7	28	111	53	N/A	213
92507	0	1	14	4	18	N/A	37
92509	191	185	78	91	191	N/A	735
92530	0	0	3	0	1	N/A	4
92544	0	0	0	0	0	N/A	0
92545	0	0	0	0	0	N/A	0
92548	0	0	0	0	0	N/A	0
92562	0	0	4	3	0	N/A	7
92567	0	6	2	3	0	N/A	11
92570	0	9	1	13	13	N/A	36
92585	11	2	22	28	94	N/A	157
92586	0	0	0	0	23	N/A	23
92595	0	64	19	8	3	N/A	95
92879	20	5	0	7	0	N/A	32
92881	2	3	58	41	87	N/A	191
92883	0	0	0	0	0	N/A	0
Total	317	354	300	499	807	1079	3357

Table 20. Tax Revenues in Riverside County Due to RCEDA Spending, 2006 – 2011.

Industry	Business Taxes	Sales Taxes	Personal Income Tax	Total
Agriculture, forestry, fishing, and hunting	$10,424		$13,552	$249,171
Mining	$17,016		$48,187	$436,113
Utilities	$81,173		$97,370	$870,687
Construction	$1,028,708		$4,801,750	$39,152,712
Manufacturing	$286,358		$530,807	$7,053,083
Wholesale trade	$26,949		$233,724	$1,750,934
Retail trade	$83,006	$3,245,459	$288,771	$3,617,236
Transportation and warehousing	$71,096		$126,609	$1,423,032
Information	-$15,483*		$93,098	$865,798
Finance and insurance	$185,361		$178,966	$1,539,978
Real estate and rental and leasing	$372,848		$79,131	$3,925,945
Professional, scientific, and technical services	$20,534		$397,602	$2,309,113
Management of companies and enterprises	$1,618		$38,522	$189,166
Administrative and waste management services	$17,831		$97,884	$1,026,431
Educational services	$9,166	$185,455	$20,467	$215,087
Health care and social assistance	$46,185		$329,578	$1,995,181
Arts, entertainment, and recreation	$1,525	$178,831	$16,337	$196,693
Accommodation	$7,498	$281,494	$27,460	$316,452
Food services and drinking places	$19,054	$715,326	$44,103	$778,483
Other services	$34,591	$1,149,157	$106,357	$1,290,105
Total	$2,305,459	$5,755,722	$7,570,274	$15,631,456

*We note that this negative value is not due to a mathematical error. Margins in this sector have been highly volatile for a considerable period of time, reflecting the end of the dot com bubble and other factors. The median margin across all U.S. firms in this sector is indeed negative. We view the accuracy of this particular result with skepticism due to the within sector volatility, but note that the small magnitude of the business taxes indicates it does not have an important influence on the overall tax results presented here.

Table 21: Output, Employment and Income Results based on Low- and Moderate- Housing Spending, 2000 - 2011

Industry	Output	Earnings	Employment
Agriculture, forestry, fishing, and hunting	$369,240	$65,160	2
Mining	$608,160	$124,890	2
Utilities*	$1,134,870	$190,050	2
Construction	$54,636,660	$15,176,850	335
Manufacturing	$10,224,690	$1,618,140	34
Wholesale trade	$2,443,500	$575,580	9
Retail trade	$5,321,400	$1,563,840	61
Transportation and warehousing*	$2,009,100	$428,970	10
Information	$1,292,340	$211,770	3
Finance and insurance	$1,927,650	$412,680	6
Real estate and rental and leasing	$5,696,070	$423,540	16
Professional, scientific, and technical services	$3,100,530	$988,260	16
Management of companies and enterprises	$244,350	$81,450	1
Administrative and waste management services	$1,493,250	$570,150	25
Educational services	$304,080	$108,600	4
Health care and social assistance	$2,655,270	$1,064,280	24
Arts, entertainment, and recreation	$293,220	$97,740	4
Accommodation	$461,550	$130,320	4
Food services and drinking places	$1,172,880	$347,520	21
Other services*	$1,884,210	$494,130	17
Total	$97,273,020	$24,673,920	598

5. Conclusion

This study examines the effects of spending by the Riverside County Economic Development Agency (RCEDA) on the local (and to a lesser extent, the statewide) economy over the six fiscal years ending in June 2011. Overall, we find that, due to both direct spending and multiplier effects, total spending of approximately \$378.5 million by the RCEDA generated output valued between \$663 and \$678 million, personal income about \$172 million, and between 3,357 and 4,156 jobs. In addition, the Riverside projects created value outside of Riverside County but within California of roughly \$224 million in output, \$123 million in income, and 2,748 jobs. Separately, spending of \$54.3 million on Low- to Moderate-Income Housing over the period from 2000 to early 2011 resulted in an additional output value of approximately \$97.3 million, income of about \$24.7 million, and 598 jobs over that period of time. Finally, total California tax revenues consequent to the projects, including business, sales, and personal taxes, sums to about \$15.6 million.

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REDEVELOPMENT AGENCY FOR THE

COUNTY OF RIVERSIDE, CALIFORNIA

ANNUAL AUDIT REPORT

Year Ended June 30, 2011

Redevelopment Agency for the County of Riverside, California
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Year Ended June 30, 2011

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MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A)

The Redevelopment Agency for the County of Riverside (the "Redevelopment Agency") presents this MD&A to provide a narrative overview, financial highlights, and analyses of the audited annual financial statements. This MD&A section is being presented as required by the provisions of the Governmental Accounting Standards Board (GASB) Statement 34.

The financial statements are reported on the basis of a twelve month fiscal year which starts on July 1 of one calendar year and ends on June 30 of the next calendar year; the fiscal year is named by the calendar year in which the fiscal year ends. Therefore, the basic annual financial statements presented in this report are for Fiscal Year 2011, which started July 1, 2010 and ended June 30, 2011.

Please read this overview in conjunction with your reading of the basic financial statements and the accompanying notes to those financial statements.

THE PURPOSE OF THE REDEVELOPMENT AGENCY

The Redevelopment Agency was established in 1985, through its special legal and financial mechanisms, to alleviate conditions of economic and physical blight in the redevelopment project areas through the implementation of new public improvement projects, the stimulation of economic development, and by increasing and improving the stock of affordable housing.

The activities of the Redevelopment Agency are funded through tax increment financing. Tax increment is generated when property taxes increase as a result of increased property values over the base year assessed value of a project area. The base year assessed value of a project area is the total assessed value of all property within a project area at the time of adoption of a project area. One-fifth of the tax increment received must be set-aside in a separate fund and can only be used to increase or improve the supply of low and moderate-income housing. In order to receive tax increment, the Agency is required to establish debt to finance redevelopment. For this reason, the Redevelopment Agency's financial statements reflect negative net assets resulting from the establishment of long-term debt. Typically, this debt is established through the issuance of taxable and tax-exempt bonds, which are used to fund capital improvement projects and are secured by tax increment revenues.

The Redevelopment Agency manages five redevelopment areas encompassing 76,386 acres located in 35 communities and 5 airports. Agency staff performs general administration, manages construction projects, administers loan and grant programs, coordinates budget and reporting requirements, maintains the Agency's official records, and manages real property activity.

FINANCIAL HIGHLIGHTS

Financial highlights of the year include the following:

- The Redevelopment Agency ended the fiscal year of operations with assets of $560,699,664 and liabilities of $855,603,199 resulting in net assets (deficit) of $(294,903,535).
- As of the close of the current fiscal year, the Redevelopment Agency's funds reported combined ending fund balances of $532,321,842.
- The Redevelopment Agency's total long-term debt increased by $142,263,320, which represents a 21% increase in total debt.

These financial highlights are detailed further in the presentation of condensed financial information with analysis of the overall financial position.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

As a component unit of a larger governmental body, the Redevelopment Agency provides its financial statements to the County of Riverside, which in turn, includes the Redevelopment Agency's financial information in the County's Comprehensive Annual Financial Report (CAFR). The Redevelopment Agency is required to present its financial statements in the format of governmental fund financial statements, in conformity with generally accepted accounting principles.

This MD&A should be used in conjunction with the basic financial statements, which comprise the government-wide financial statements and the fund financial statements. These two sets of financial statements, along with the notes to the financial statements, provide different views of the Redevelopment Agency's financial activities and financial position. This report also contains other supplementary information in addition to the basic financial statements.

The *government-wide financial statements* provide a broad overview of the Redevelopment Agency's activities as a whole and comprise the Statement of Net Assets (formerly the Balance Sheet) and the Statement of Activities (formerly the Statement of Revenues, Expenditures and Changes in Fund Balances).

> The *Statement of Net Assets* presents information on all of the Redevelopment Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator in assessing whether the financial position of the Redevelopment Agency is improving or deteriorating. The terminology of "net assets" replaces the Balance Sheet terminology of "equity" or "fund balance."
>
> The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the event occurs, regardless of the timing of related cash flows. As a result, revenues and expenses reported in this statement may be for items that could affect the cash flow in future fiscal periods.

The government-wide financial statements can be found on pages 1-2 of this report.

The *fund financial statements* provide detailed information about each of the Redevelopment Agency's funds. A fund is considered to be a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Redevelopment Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Redevelopment Agency's funds are governmental-type funds. Financial statements for these funds are prepared on the modified accrual basis of accounting, which means that only revenue, which is measurable and available, is recorded in the current period. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the governmental fund financial statements.

The Redevelopment Agency maintains three individual governmental-type funds. Information is presented separately in the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for the following fund types: Capital Project, Special Revenue (Low and Moderate Income Housing), and Debt Service. In establishing major fund criteria, the GASB intended that a major fund arises when a particular element of a fund meets certain percentage thresholds; all other funds that are not considered major funds must be combined in a separate column (other governmental funds). For FY 2011, all funds were considered major funds and are reflected as such in the Governmental Fund Financial Statements. While detailed sub-area information is not presented, separate accounts are maintained for each program to control and manage money for particular purposes or to demonstrate that the Redevelopment Agency is properly using specific appropriations and grants.

The governmental fund financial statements can be found on pages 3-12 of this report.

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements.

The notes to the financial statements can be found on pages 13-57 of this report.

PRESENTATION OF CONDENSED FINANCIAL INFORMATION WITH FINANCIAL ANALYSIS OF OVERALL POSITION

Statement of Net Assets

Financial statements, presented as follows, are shown in a condensed format to compare amounts from the current fiscal year (2011) to amounts from the prior fiscal year (2010). Charts to illustrate selected aspects of financial information, along with brief narrative analyses, accompany these condensed financial statements.

Redevelopment Agency for the County of Riverside
Statement of Net Assets

	2011	2010
ASSETS		
Cash and Investments	$ 98,238,045	$ 104,504,148
Cash and Investments with Fiscal Agent	287,584,159	231,163,354
Accounts Receivable	2,975,368	6,383,746
Due from Other Governments	3,155	-
Interest Receivable	417,009	1,011,641
Loans Receivable	61,999,217	67,192,484
Land Held for Resale	92,569,934	79,665,801
Deferred Charges	16,760,865	12,173,514
Capital Assets, Net of Depreciation	151,912	223,954
Total Assets	560,699,664	502,318,642
LIABILITIES		
Accounts Payable	10,896,811	9,458,724
Due to Other Governments	568,234	2,647,635
Interest Payable	10,225,462	7,641,374
Deferred Revenues	7,328,308	7,610,418
Long-Term Liabilities:		
Due in One Year	19,373,733	12,377,096
Due in More Than One Year	807,210,651	671,943,968
Total Liabilities	855,603,199	711,679,215
NET ASSETS		
Invested in Capital Assets	151,912	223,954
Restricted for:		
L & M Housing	111,754,824	163,559,786
Unrestricted	(406,810,271)	(373,144,313)
Total Net Assets (Deficit)	$ (294,903,535)	$ (209,360,573)

As previously illustrated by the Statement of Net Assets, the Redevelopment Agency ended the fiscal year of operations with assets of $560,699,664 and liabilities of $855,603,199 resulting in net assets of $(294,903,535). These net assets consisted of $151,912 in invested capital assets, $111,754,824 in restricted assets, and $(406,810,271) in unrestricted assets.

The ending net assets of ($294,903,535) represent a decrease in net assets of ($85,542,962) from the prior fiscal year. The decrease can be attributed to the following:

- Cash decreased in part due to a mandatory $5.7M SERAF payment (Supplemental Educational Revenue Augmentation Fund) to the State of California and partly due to a higher utilization of cash for public improvements, community development activities, commercial projects, housing and rehabilitation of properties. Investments increased as a result of the issuance of new 2010 Non Housing bonds and the issuance of new 2011 Non Housing and Housing bonds.
- A decrease in Accounts Receivable occurred since more tax increment deposits and other revenue was required to be accrued in FY 2009 and was not accrued in in FY 2010.
- A decrease in Interest Receivable was a result of the reduction in interest rates as well as timelier posting of interest revenue.
- An increase in Accounts Payable was due to accrual of all payables this fiscal year, without regard to their dollar amount. This resulted in additional accruals.

Invested in capital assets, net of related debt, accounts for $151,912 of net assets. Currently, there is no related debt to capital assets. The Redevelopment Agency's capital assets represent office equipment and four vehicles used for the purpose of removing graffiti.

Restricted net assets of $111,754,824 represent the largest portion of the Redevelopment Agency's total net assets. This amount represents resources that are subject to external restrictions on how they may be used, such as the payment of debt service and housing (special revenue) reserves. These restrictions limit the Redevelopment Agency's ability to use those net assets for day-to-day operations.

Unrestricted net assets of $(406,810,271) represent resources available for the Redevelopment Agency to use for day-to-day operations. It should be noted that this amount is negative due to the reporting of long-term liabilities. Based on the economic resources measurement focus and the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. The assets used to pay for the long-term liabilities are not recorded in the Statement of Net Assets since the resources to repay this debt will come from future operating revenues, such as tax increment revenue and interest income.

Statement of Activities

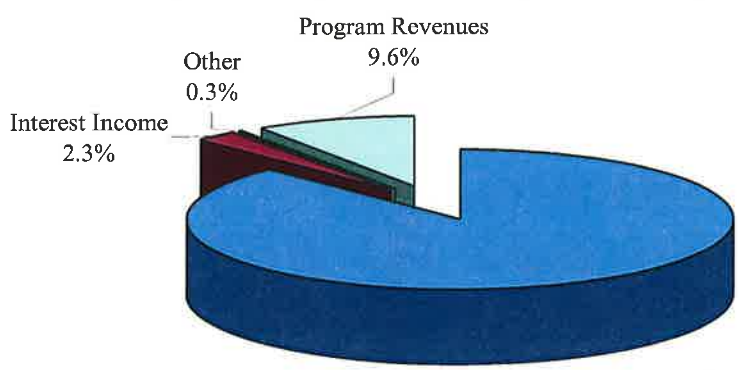
The Statement of Activities, presented as follows, is shown in a condensed format to compare amounts from the current fiscal year (2011) to amounts from the prior fiscal year (2010). These condensed financial statements are accompanied by charts to illustrate selected aspects of financial information, along with a brief narrative analysis.

The General Government category of Expenses in the Statement of Activities includes all redevelopment costs not classified as Housing, Project Improvements, and Interest on Long-Term Debt. Examples of General Government type expenses include costs for managing effective and efficient project development activities, legal counsel, required annual audits, and legally mandated pass-through payments of tax increment money to government agencies and schools.

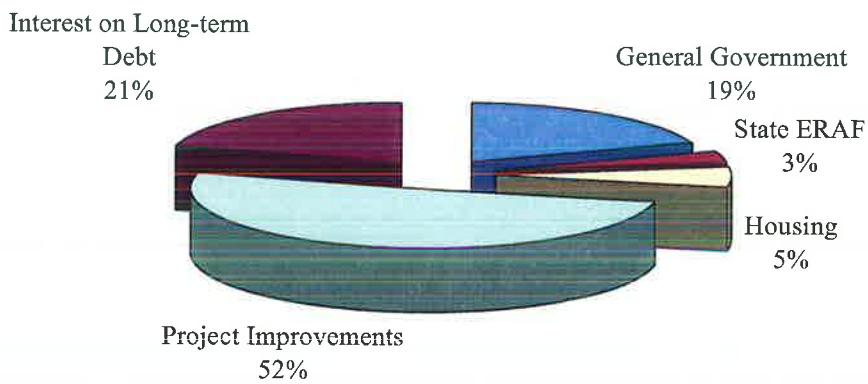
Redevelopment Agency for the County of Riverside
Statement of Activities

	Governmental Activities 2011		Governmental Activities 2010
Revenues:			
Program Revenues:			
Charges for Service	$ 9,720,001		$ 20,580,670
General Revenues:			
Tax Increment	89,282,315		99,329,906
Interest Income	2,307,118		4,099,392
Other	282,110		276,921
Total Revenues	101,591,544		124,286,889
Expenses:			
General Government	35,038,742		35,028,976
State ERAF	5,722,195		27,793,518
Housing	9,906,317		10,536,930
Project Improvements	92,700,242		101,964,203
Interest on Long-term Debt	37,992,489		28,634,040
Total Expenses	181,359,985		203,957,667
Change in Net Assets	(79,768,441)		(79,670,778)
Net Assets - Beginning of Year (Deficit)	(209,360,573)		(142,772,826)
Prior Period Adjustments	(5,774,521)		13,083,031
Net Assets - Beginning of Year-Restated (Deficit)	(215,135,094)		(129,689,795)
Net Assets - End of Year (Deficit)	$ (294,903,535)		$ (209,360,573)

Revenues by Source
Fiscal Year Ended June 30, 2011



Expenses by Category
Fiscal Year Ended June 30, 2011



As shown by the Statement of Activities, the Redevelopment Agency's total expenses exceeded total revenues by $(79,768,441) for the fiscal year ended 2011. The decrease in net assets can be explained by these major variances:

- Program income from the prior year decreased by 47% due to fewer reimbursements as a result of project completion.
- Tax increment revenue declined as a result of a decline in property tax revenue collected.
- Interest income was reduced as a result of a reduction in interest rates resulting from the continued United States economic crisis.
- Debt Service Principal and Interest payments increased as a result of the issuance of new bonds during this fiscal year.
- Debt issuance and project costs increased due to the new bond issuances.
- Administrative costs increased since there are additional staff working on Redevelopment projects as a result of additional bond funding.

The Expenses by Category chart indicates that General Government expenses represent 19% of the total expenses for the current fiscal year, which represent administrative costs, professional services, and other expenditures such as pass through payments, contributions to other non-county agencies, and the State mandated Educational Revenue Augmentation Fund (ERAF) payments when applicable. Further, 5% of total tax increment revenues are dedicated to housing developments; and 52% represents Project Improvement expenses funded with bond proceeds, with a significant amount being spent on non-housing projects.

ANALYSIS OF SIGNIFICANT BUDGET VARIANCES

The Redevelopment Agency's fiscal department works closely with the other departments to monitor the annual operating budget throughout the fiscal year in order to avoid expenditures in excess of available funds. Significant budget variances are analyzed to determine their causes and effects. A comparison between the original budget and final (revised) budget is shown below.

Comparison of Original Budget and Final Budget

The original and final budgets for FY2011 and the percentages of change are presented as follows:

Redevelopment Agency for the County of Riverside
Budget Comparison
Year Ended June 30, 2011

	Original Budget	Final Budget	% Change
Revenues:			
Tax Increment	$ 98,232,874	$ 98,232,874	0%
Interest Income	2,128,498	2,128,498	0%
Other Income	23,100,638	23,100,638	0%
Gain (Loss) on Sale of Property Held for Resale	2,000	2,000	0%
Issuance of Long-term Debt	100,604,185	212,627,401	111%
Total Revenue	224,068,195	336,091,411	50%
Expenditures:			
Administrative Costs	13,318,746	14,818,746	11%
Professional Services	368,936	368,936	0%
Project Improvement Costs	142,642,147	242,067,014	70%
Other Expenditures (pass thrus, ACO fees, ERAF)	22,083,007	27,983,409	27%
State ERAF	5,716,731	5,716,731	0%
Interest and Fiscal Charges	27,840,410	36,119,410	30%
Long-Term Obligation Principal Payments	11,289,535	11,289,535	0%
Payments for Government Advances	808,683	808,683	0%
Debt Issuance Costs	-	2,819,350	100%
Total Expenditures	224,068,195	341,991,814	53%
Excess of Revenues Over (Under) Expenditures	$ -	$ (5,900,403)	

The most significant changes to the FY2011 original budget were an 111% increase in Issuance of Long-term Debt and a 70% increase in Project Improvement Costs.

Comparison of Actual Operations and Final Budget

Overall, the actual revenues amounts were less than the final budgeted amounts and the actual expenditures were less than the final budgeted amounts by (19%) and (38%), respectively. On the following page is an illustration of the comparison between the actuals and the final-revised budget.

Redevelopment Agency for the County of Riverside
Budget Comparison
Year Ended June 30, 2011

	Actuals	Final Budget	% Difference
Revenues:			
Tax Increment	$ 89,282,315	$ 98,232,874	-9%
Interest Income	2,307,118	2,128,498	8%
Other Income	9,720,001	23,100,638	-58%
Gain (Loss) on Sale of Property Held for Resale	-	2,000	100%
Long-Term Debt Proceeds	170,480,748	212,627,401	-20%
Total Revenue	271,790,182	336,091,411	-19%
Expenditures:			
Administrative Costs	16,519,459	14,818,746	11%
Professional Services	433,499	368,936	17%
Project Improvement Costs	99,158,675	242,067,014	-59%
Other Expenditures (pass thrus, ACO fees, ERAF)	21,243,580	27,983,409	-24%
State ERAF	5,722,195	5,716,731	0%
Interest and Fiscal Charges	35,408,402	36,119,410	-2%
Long-Term Obligation Principal Payments	27,811,040	11,289,535	146%
Payments for Government Advances	-	808,683	100%
Debt Issuance Costs	5,211,784	2,819,350	85%
Total Expenditures	211,508,634	341,991,814	-38%
Excess of Revenues Over (Under) Expenditures	$ 60,281,548	$ (5,900,403)	

The table illustrated above shows the differences between the actual operating results and final budgeted amounts. The most significant differences can be attributed to the following:

- Tax increment revenue was 9% lower than the final budget amount as a result of the current United States economic crises.

- Interest Income for Actuals was 8% higher than the Final Budget amount due to the investment of the proceeds from new bonds issued during this fiscal year.

- Other Income was 58% less than the final budget because projects expected to be completed and reimbursed in 2011 were finished in the prior year.

- Administrative costs increased by 11% due to additional staff working on Redevelopment projects as a result of additional bond issuances.

- Project costs were budgeted higher than normal in anticipation of new bond issuances. The actual expense represents delays due to timing the bond issuances and completion of construction projects.

- Long Term Obligation Principal Payments were 146% higher than the final budget as a result of new bond issuances during this fiscal year.

- The Payments for Government Advances was over-budgeted for the Coral Lease payment.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Redevelopment Agency's investment in capital assets for its governmental activities amounts to $151,912 (net of accumulated depreciation of $279,185) as of June 30, 2011. This investment in capital assets includes vehicles. There were no deletions or additions in the current year to capital assets.

Capital Assets
(Net of Depreciation)

	Governmental Activities	
	2011	2010
Vehicles	$ 149,734	$ 220,623
Equipment	2,178	3,331
Total	$ 151,912	$ 223,954

Additional information on the Redevelopment Agency's capital assets can be found in Note 4-E to the basic financial statements on page 35 of this report.

Long-Term Debt. At the end of FY2011, the current fiscal year, the Redevelopment Agency for the County of Riverside had total bonded debt and loans payable outstanding of $822,860,748.

Redevelopment Agency for the County of Riverside
Outstanding Debt

	Governmental Activities	
	2011	2010
Loans Payable	$ 416,715,000	$ 425,737,644
Tax Allocation Bonds	406,145,748	239,030,000
Total	$ 822,860,748	$ 664,767,644

The Redevelopment Agency currently has fifteen outstanding issues of bonded indebtedness and four loan payables with the Riverside County Public Financing Authority.

In Fiscal Year 2011, the Redevelopment Agency's total long-term debt increased by $142,263,320 or approximately 21%.

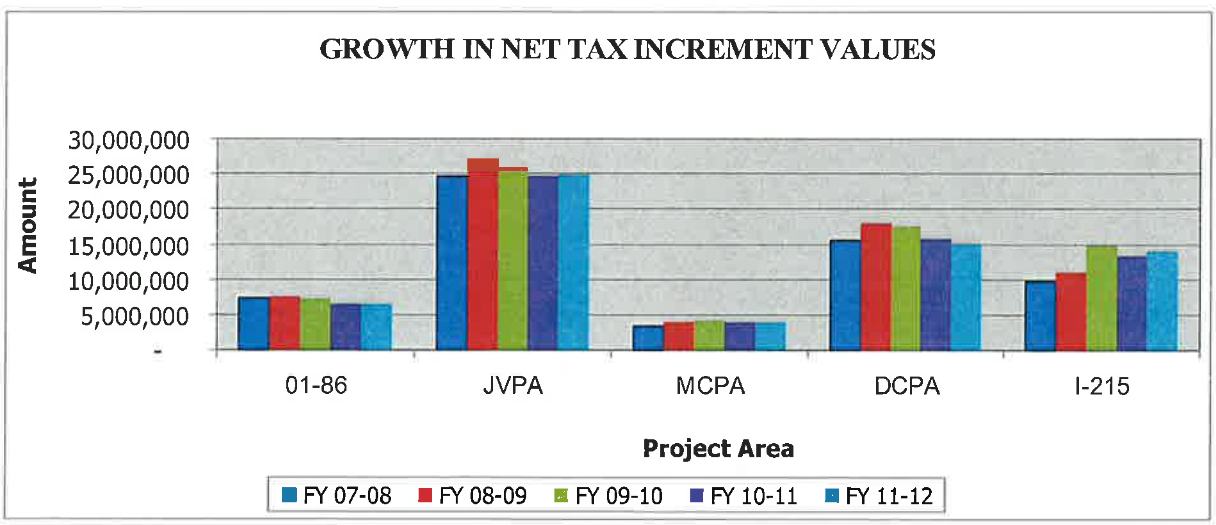
The key factors in this increase are as follows:

- The Agency issued new Tax Allocation Bonds in the amount of $170,480,748 and made principal payments to loans and notes payable of $24,022,644 and bonded indebtedness of $3,365,000.

Additional information on the Agency's long-term debt can be found in Note 4-F on pages 36-54.

ECONOMIC FACTORS

The Redevelopment Agency is supported financial by tax increment revenues generated within the Agency's five project areas. In the fiscal year ending June 2011, gross tax increment received by the Agency decreased by nearly 10% from the previous fiscal year. Based on the current year's assessed valuations, it is anticipated that this trend will reflect a continued decline in property values within the project areas throughout the fiscal year ending June 2012, as shown in the chart below.



REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Redevelopment Agency for the County of Riverside's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Fiscal Manager at the Redevelopment Agency for the County of Riverside, 3133 Mission Inn Avenue, Riverside, CA 92507.

Redevelopment Agency for the County of Riverside, California
Statement of Net Assets
June 30, 2011

ASSETS	
Cash and Investments	$ 98,238,045
Cash and Investments with Fiscal Agent	287,584,159
Accounts Receivable	2,975,368
Due from Other Governments	3,155
Interest Receivable	417,009
Loans Receivable	61,999,217
Land Held for Resale	92,569,934
Deferred Charges	16,760,865
Capital Assets, Net of Depreciation	151,912
Total Assets	560,699,664
LIABILITIES	
Accounts Payable	10,896,811
Due to Other Governments	568,234
Interest Payable	10,225,462
Deferred Revenues	7,328,308
Long-Term Liabilities:	
Due in One Year	19,373,733
Due in More Than One Year	807,210,651
Total Liabilities	855,603,199
NET ASSETS	
Invested in Capital Assets	151,912
Restricted for:	
L & M Housing	111,754,824
Unrestricted	(406,810,271)
Total Net Assets (Deficit)	$ (294,903,535)

The accompanying notes are an integral part of this statement.

Redevelopment Agency for the County of Riverside, California
Statement of Activities
Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues Charges for Services	Total
Governmental Activities:			
General Government	$ 35,038,742	$	$ (35,038,742)
State ERAF	5,722,195		(5,722,195)
Housing	9,906,317	655,034	(9,251,283)
Project Improvements	92,700,242	9,064,967	(83,635,275)
Interest on Long-Term Debt	37,992,489		(37,992,489)
Total	$ 181,359,985	$ 9,720,001	(171,639,984)
General Revenues:			
Tax Increment			89,282,315
Investment Income			2,307,118
Other			282,110
Total General Revenues			91,871,543
Change in Net Assets			(79,768,441)
Net Assets - Beginning of Year (Deficit) - As Previously Reported			(209,360,573)
Prior Period Adjustments			(5,774,521)
Net Assets - Beginning of Year (Deficit) - Restated			(215,135,094)
Net Assets - End of Year (Deficit)			$ (294,903,535)

The accompanying notes are an integral part of this statement.

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Redevelopment Agency for the County of Riverside, California
Balance Sheet - Governmental Funds
June 30, 2011

	Capital Projects			
	Project Area 1-1986	Jurupa Valley	MID County	Desert Communities
ASSETS				
Cash and Investments	$ 8,435,429	$ 473,143	$ 268,860	$ 7,579,980
Cash and Investments with Fiscal Agent	21,725,917	53,920,475	16,870,435	32,050,832
Accounts Receivable		588,708	5,000	2,075,400
Due from Other Governments		193	63	2,899
Interest Receivable	58,634	85,563	30,430	24,789
Due from Other Funds				2,499,549
Loans Receivable		14,110,355	871,286	691,106
Land Held for Resale	3,207,178	26,796,281	677,921	19,012,504
TOTAL ASSETS	$ 33,427,158	$ 95,974,718	$ 18,723,995	$ 63,937,059
LIABILITIES				
Accounts Payable	$ 716,572	$ 3,083,028	$ 639,272	$ 1,384,763
Due to Other Governments		568,041		
Due to Other Funds	173	1,568,849	1,000,237	
TOTAL LIABILITIES	716,745	5,219,918	1,639,509	1,384,763
FUND BALANCES				
Nonspendable:				
Loans Receivable		14,110,355	871,286	691,106
Land Held for Resale	3,207,178	26,796,281	677,921	19,012,504
Restricted:				
Debt Service				
Low and Moderate Housing				
Committed:				
Construction Projects	2,569,596	33,274,621	15,535,279	32,484,381
Debt Service				
Assigned:				
Construction Projects	26,933,639	16,573,543		10,364,305
Debt Service				
Unassigned				
TOTAL FUND BALANCES	32,710,413	90,754,800	17,084,486	62,552,296
TOTAL LIABILITIES AND FUND BALANCES	$ 33,427,158	$ 95,974,718	$ 18,723,995	$ 63,937,059

The accompanying notes are an integral part of this statement.

Capital Projects	Debt Service				
I-215 Corridor	Project Area 1-1986	Jurupa Valley	MID County	Desert Communities	I-215 Corridor
$ 476,537	$ 4,885,013	$ 2,070,560	$ 4,381,143	$ 13,082,479	$ 15,503,646
65,753,965	4,363,591	7,736,430	2,219,932	5,622,719	11,450,245
150	17,152	107,959	58,205	59,901	58,742
66,052	11,836	3,522	6,834	13,269	25,518
2,170					
1,969,626					
4,719,129					
$ 72,987,629	$ 9,277,592	$ 9,918,471	$ 6,666,114	$ 18,778,368	$ 27,038,151
$ 4,480,199	$ 25,901	$ 19,812	$ 1,919	$ 102	$ 4,571
55,817	2,126	17,588	2,487	4,672	10,210
4,536,016	28,027	37,400	4,406	4,774	14,781
1,969,626					
4,719,129					
	4,146,576	7,000,545	2,091,009	4,970,775	10,942,440
31,752,802					
	66,433	504,834	24,974	115,165	494,847
30,010,056					
	5,036,556	2,375,692	4,545,725	13,687,654	15,586,083
68,451,613	9,249,565	9,881,071	6,661,708	18,773,594	27,023,370
$ 72,987,629	$ 9,277,592	$ 9,918,471	$ 6,666,114	$ 18,778,368	$ 27,038,151

Continued

The accompanying notes are an integral part of this statement.

Redevelopment Agency for the County of Riverside, California
Balance Sheet - Governmental Funds
June 30, 2011

	Special Revenue			
	Project Area 1-1986	Jurupa Valley	MID County	Desert Communities
ASSETS				
Cash and Investments	$ 8,395,814	$ 12,429,992	$ 186,033	$ 7,280,309
Cash and Investments with Fiscal Agent	7,044,320	34,383,896	748,552	596,915
Accounts Receivable			3,200	951
Due from Other Governments				
Interest Receivable	11,216	27,747	4,166	23,259
Due from Other Funds	2,126	12,175,094	2,487	4,672
Loans Receivable	3,688,593	14,414,489	2,783,316	21,546,960
Land Held for Resale		20,969,750	5,186,887	10,740,207
TOTAL ASSETS	$ 19,142,069	$ 94,400,968	$ 8,914,641	$ 40,193,273
LIABILITIES				
Accounts Payable	$ 5,436	$ 316,258	$ 41,220	$ 163,846
Due to Other Governments		193		
Due to Other Funds	8,701		5,992,881	6,016,061
TOTAL LIABILITIES	14,137	316,451	6,034,101	6,179,907
FUND BALANCES				
Nonspendable:				
Loans Receivable	3,688,593	14,414,489	2,783,316	21,546,960
Land Held for Resale		20,969,750	5,186,887	10,740,207
Restricted:				
Debt Service				
Low and Moderate Housing	15,439,339	58,700,278		1,726,199
Committed:				
Construction Projects				
Debt Service				
Assigned:				
Construction Projects				
Debt Service				
Unassigned			(5,089,663)	
TOTAL FUND BALANCES	19,127,932	94,084,517	2,880,540	34,013,366
TOTAL LIABILITIES AND FUND BALANCES	$ 19,142,069	$ 94,400,968	$ 8,914,641	$ 40,193,273

The accompanying notes are an integral part of this statement.

Special Revenue I-215 Corridor	Total Governmental Funds
$ 12,789,107	$ 98,238,045
23,095,935	287,584,159
	2,975,368
	3,155
24,174	417,009
10,210	14,696,308
1,923,486	61,999,217
1,260,077	92,569,934
$ 39,102,989	$ 558,483,195
$ 13,912	$ 10,896,811
	568,234
16,506	14,696,308
30,418	26,161,353
1,923,486	61,999,217
1,260,077	92,569,934
	29,151,345
35,889,008	111,754,824
	115,616,679
	1,206,253
	83,881,543
	41,231,710
	(5,089,663)
39,072,571	532,321,842
$ 39,102,989	$ 558,483,195

The accompanying notes are an integral part of this statement.

Redevelopment Agency for the County of Riverside, California
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
Year Ended June 30, 2011

Fund Balances of Governmental Funds		$ 532,321,842
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the funds:		
	Deferred Charges	16,760,865
	Capital Assets, Net of Depreciation	151,912
	Interest Payable	(10,225,462)
	Deferred Revenue	(7,328,308)
	Long-term Debt	(826,584,384)
Net Assets of Governmental Activities		$ (294,903,535)

The accompanying notes are an integral part of this statement.

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Redevelopment Agency for the County of Riverside, California
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2011

	Capital Projects			
	Project Area 1-1986	Jurupa Valley	MID County	Desert Communities
REVENUES				
Tax Increment	$	$	$	$
Investment Income	166,317	263,843	89,326	698,908
Other Income	53,745	5,154,196	11,851	2,979,485
TOTAL REVENUES	220,062	5,418,039	101,177	3,678,393
EXPENDITURES				
Current:				
Administrative Costs	1,396,040	6,103,913	668,329	2,604,511
Professional Services	61,807	117,431	26,416	82,839
Project Improvement Costs	3,156,535	29,217,935	4,280,536	26,023,504
Other Expenditures		8,629	4,430	251,850
State ERAF				
Debt Service:				
Long-term Obligation Principal Payments			2,000,000	
Interest and Fiscal Charges				
Debt Issuance Costs				
TOTAL EXPENDITURES	4,614,382	35,447,908	6,979,711	28,962,704
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,394,320)	(30,029,869)	(6,878,534)	(25,284,311)
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out			(247,485)	(1,258,574)
Issuance of Long-term Debt		30,132,419	4,704,546	34,914,390
NET CHANGE IN FUND BALANCES	(4,394,320)	102,550	(2,421,473)	8,371,505
FUND BALANCES - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	37,104,733	98,280,680	19,505,959	53,716,054
PRIOR PERIOD ADJUSTMENT		(7,628,430)		464,737
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	37,104,733	90,652,250	19,505,959	54,180,791
FUND BALANCES - END OF YEAR	$ 32,710,413	$ 90,754,800	$ 17,084,486	$ 62,552,296

The accompanying notes are an integral part of this statement.

Capital Projects	Debt Service				
I-215 Corridor	Project Area 1-1986	Jurupa Valley	MID County	Desert Communities	I-215 Corridor
$	$ 6,830,711	$ 26,869,242	$ 4,984,189	$ 18,276,652	$ 14,464,769
563,095	35,327	3,515	27,829	57,883	101,362
865,690					
1,428,785	6,866,038	26,872,757	5,012,018	18,334,535	14,566,131
2,567,874					
72,584					
30,021,732					
162,577	1,370,287	7,421,559	1,897,087	6,394,413	3,536,078
	746,231	2,401,468	345,472	1,500,800	728,224
13,000,000	1,426,692	5,306,996	717,162	2,466,099	2,894,091
	4,115,798	13,356,394	2,230,271	8,562,086	7,143,853
	59,137	1,684,940	391,202	1,250,536	1,825,969
45,824,767	7,718,145	30,171,357	5,581,194	20,173,934	16,128,215
(44,395,982)	(852,107)	(3,298,600)	(569,176)	(1,839,399)	(1,562,084)
	856,417	3,796,177	1,062,225	3,157,055	3,667,744
(2,256,325)					
55,218,539	224,190	6,949,902	992,862	4,672,439	8,419,450
8,566,232	228,500	7,447,479	1,485,911	5,990,095	10,525,110
59,740,286	9,021,065	2,433,592	5,175,797	12,783,499	16,498,260
145,095					
59,885,381	9,021,065	2,433,592	5,175,797	12,783,499	16,498,260
$ 68,451,613	$ 9,249,565	$ 9,881,071	$ 6,661,708	$ 18,773,594	$ 27,023,370

Continued

The accompanying notes are an integral part of this statement.

Redevelopment Agency for the County of Riverside, California
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2011

	Special Revenue			
	Project Area 1-1986	Jurupa Valley	MID County	Desert Communities
REVENUES				
Tax Increment	$ 1,707,702	$ 6,717,383	$ 1,246,060	$ 4,569,219
Investment Income	49,848	90,067	6,440	62,217
Other Income		488,581	114,520	49,424
TOTAL REVENUES	1,757,550	7,296,031	1,367,020	4,680,860
EXPENDITURES				
Current:				
Administrative Costs	363,243	1,205,778	195,244	769,591
Professional Services	5,474	25,587	6,881	23,166
Project Improvement Costs	54,524	1,507,564	1,689,699	2,958,237
Other Expenditures	18,574	77,680	11,944	49,311
State ERAF				
Debt Service:				
Long-term Obligation Principal Payments				
Interest and Fiscal Charges				
Debt Issuance Costs				
TOTAL EXPENDITURES	441,815	2,816,609	1,903,768	3,800,305
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,315,735	4,479,422	(536,748)	880,555
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out	(856,417)	(3,796,177)	(814,740)	(1,898,481)
Issuance of Long-term Debt	1,371,252	15,026,888	308,398	4,261,445
NET CHANGE IN FUND BALANCES	1,830,570	15,710,133	(1,043,090)	3,243,519
FUND BALANCES - BEGINNING OF YEAR AS PREVIOUSLY REPORTED	17,250,362	77,494,389	3,923,630	30,886,317
PRIOR PERIOD ADJUSTMENT	47,000	879,995		(116,470)
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	17,297,362	78,374,384	3,923,630	30,769,847
FUND BALANCES - END OF YEAR	$ 19,127,932	$ 94,084,517	$ 2,880,540	$ 34,013,366

The accompanying notes are an integral part of this statement.

Special Revenue I-215 Corridor	Total Governmental Funds
$ 3,616,388	$ 89,282,315
91,141	2,307,118
2,509	9,720,001
3,710,038	101,309,434
644,936	16,519,459
11,314	433,499
248,409	99,158,675
39,161	21,243,580
	5,722,195
	27,811,040
	35,408,402
	5,211,784
943,820	211,508,634
2,766,218	(110,199,200)
	12,539,618
(1,411,419)	(12,539,618)
3,284,028	170,480,748
4,638,827	60,281,548
34,000,192	477,814,815
433,552	(5,774,521)
34,433,744	472,040,294
$ 39,072,571	$ 532,321,842

The accompanying notes are an integral part of this statement.

Redevelopment Agency for the County of Riverside, California
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2011

Net Change in Fund Balances-Total Governmental Funds	$ 60,281,548

Amounts reported in the statement of activities are different because:

LONG - TERM DEBT

The issuance of long-term debt provides current financial resources to governmental funds, while any principal repayments reduce long-term debt. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Debt Issuance Costs	5,211,784
Principal Repayments	27,811,040
Net Change in Compensated Absences and Other Long-term Liabilities	774,843
Issuance of Long-term Debt	(170,480,748)

CAPITAL ASSETS

Governmental funds report capital outlay as an expenditure in the full amount as current financial resources are used. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful life as depreciation expense.

Depreciation	(72,042)

OTHER ITEMS

The amounts below included in the Statement of Activities do not provide for (require) the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds (net change).

Interest and Fiscal Charges	(2,584,088)
Amortization of Bond Discount	(134,224)
Amortization of Bond Refunding	(234,231)
Amortization of Bond Issuance Costs	(624,433)
Amortization of Premiums on Long-term Debt	282,110
Changes in Net Assets of Governmental Activities	$ (79,768,441)

The accompanying notes are an integral part of this statement.

Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2011

NOTE	DESCRIPTION	PAGE
1	Summary of Significant Accounting Policies	14 - 23
2	Reconciliation of Government-wide and Fund Financial Statements	23
3	Stewardship, Compliance, and Accountability	24
4	Detailed Notes on All Funds	25 - 54
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1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Redevelopment Agency for the County of Riverside, California was formed under Section 33,000 et. seq. of the Health and Safety Code. For the period under audit, the Agency consisted of five separate project areas.

The Agency's office and records are located at 3133 Mission Inn Avenue, Riverside, California 92507, telephone number (951) 955-8916. Agency officers are as follows:

Name	Title
Bob A. Buster	Chairman
John F. Tavaglione	Vice Chairman
Marion Ashley	Director
John Benoit	Director
Jeff Stone	Director

The Board of Directors is also the County Board of Supervisors. The Board of Directors typically meets every Tuesday.

The Agency is a component unit of the County of Riverside and, accordingly, the financial statements of the Agency are included in the comprehensive annual financial report of the County of Riverside.

The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies reflected in the financial statements are summarized as follows:

A) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standards Board Statement No. 54

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered nonspendable, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. The Agency has implemented GASB No. 54 and is reflected on the Agency's financial statements (see Note 1F).

Governmental Accounting Standards Board Statement No. 57

In December of 2009, GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans.* The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). This Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers, those measures should be determined as of a common date and at a minimum frequency to satisfy the agent multiple-

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standards Board Statement No. 57 - Continued

employer OPEB plan's financial reporting requirements. The provisions related to the frequency and timing of measurements for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011. Currently, this statement has no effect on the Agency's financial statements.

Governmental Accounting Standards Board Statement No. 59

In June of 2010, GASB issued Statement No. 59, *Financial Instruments Omnibus*. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. National Council on Governmental Accounting Statement 4, Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences, is updated to be consistent with the amendments to GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, regarding certain financial guarantees. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2010. Currently, the Agency has no investments with derivatives.

Governmental Accounting Standards Board Statement No. 60

In November of 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement also provides guidance for governments that are operators in an SCA. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. The Agency has elected not to early implement GASB No. 60 and has not determined its effect on the Agency's financial statements.

Governmental Accounting Standards Board Statement No. 61

In November of 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14 , *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2011. The Agency has elected not to early implement GASB No. 61 and has not determined its effect on the Agency's financial statements.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standards Board Statement No. 62

In December of 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations.
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements." This Statement also supersedes Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. The Agency has elected not to early implement GASB No. 62 and has not determined its effect on the Agency's financial statements.

Governmental Accounting Standards Board Statement No. 63

In June of 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. The Agency has elected not to early implement GASB No. 63 and has not determined its effect on the Agency's financial statements.

B) Basis of Presentation

The accompanying financial statements are presented on the basis set forth in Government Accounting Standards Board Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Basis of Presentation - Continued

GASB Statement 34 requires that the financial statements described below be presented:

Government-wide Statements: The Statement of Net Assets and the Statement of Activities display information about the primary government (the Agency). These statements include the financial activities of the Agency overall. Eliminations have been made to minimize double counting of internal activities. These statements display the governmental activities of the Agency. Governmental activities generally are financed through taxes, intergovernmental revenues, and nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, including all taxes.

Fund Financial Statements: The fund financial statements provide information about the Agency's funds. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

All governmental funds are accounted for on a spending or financial flow measurement focus which means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is their net current assets, which is considered only to be a measure of available spendable resources. Governmental fund operating statements present a summary of sources and uses of available spendable resources during a period by presenting increases and decreases in net current assets.

Because of their spending measurement focus, governmental funds exclude noncurrent liabilities. In those cases when a governmental fund records long-term receivables or other non-current assets, an offsetting credit is made to deferred revenue or unassigned fund balance is reduced to reflect the fact that this amount is not yet available.

C) Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

All governmental funds are accounted for using the modified accrual basis of accounting. These fund revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon thereafter (generally sixty days) to be used to pay liabilities of the current period. Governmental fund expenditures are recognized under the modified accrual basis of accounting.

Those revenues susceptible to accrual are incremental property taxes and interest revenue.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Major Funds

GASB Statement 34 defines major funds and requires that the Agency's major governmental type funds be identified and presented separately in the Fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund type.

Major funds are defined as funds which have either assets, liabilities, revenues or expenditures equal to ten percent of their fund type total and five percent of the grand total; however, the Agency may select other funds it believes should be presented as major funds. The Agency has selected to report all funds as major.

The Agency reported the following major governmental funds in the accompanying financial statements:

Project Area 1-1986:
Capital Project: This fund accounts for project expenditures in the related project area.
Debt Service: This fund accounts for this project area's share of the Agency's long term debt service payments.
Special Revenue: This fund accounts for a portion of tax increment (20%) required to be set aside for low and moderate income housing activities within this project area.

Jurupa Valley Project Area:
Capital Project: This fund accounts for project expenditures in the related project area.
Debt Service: This fund accounts for the related project area's share of the Agency's long term debt service payments.
Special Revenue: This fund accounts for a portion of tax increment (20%) required to be set aside for low and moderate income housing activities within this project area.

Mid-County Project Area:
Capital Project: This fund accounts for project expenditures in this project area.
Debt Service: This fund accounts for this project area's share of the Agency's long term debt service payments.
Special Revenue: This fund accounts for a portion of tax increment (20%) required to be set aside for low and moderate income housing activities within the project area.

Desert Communities Project Area:
Capital Project: This fund accounts for project expenditures in the related project area.
Debt Service: This fund accounts for the related project area's share of the Agency's long term debt service payments.
Special Revenue: This fund accounts for a portion of tax increment (20%) required to be set aside for low and moderate income housing activities within this project area.

I-215 Corridor Project Area:
Capital Project: This fund accounts for project expenditures in the related project area.
Debt Service: This fund accounts for the related project area's share of the Agency's long-term debt service payments.
Special Revenue: This fund accounts for a portion of tax increment (20%) required to be set aside for low and moderate income housing activities within this project area.

E) Fund Accounting

The accounting records of the Agency are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when received in cash or accrued when they are both measurable and available as a resource to finance operations of the current year; expenditures are recorded at the time liabilities are incurred.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E) Fund Accounting - Continued

The accounts of the Agency are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures. The Agency uses the following fund types:

Capital Project Funds - Used to account for financial resources expended for the acquisition or construction of major capital facilities.

Special Revenue Funds - Used to account for the proceeds of specific revenue sources or to finance housing activities as required by law or administrative regulation. The Agency's special revenue funds consist solely of Low and Moderate Income Housing Funds.

Debt Service Funds - Used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

F) Assets, Liabilities, and Net Assets or Equity

Deposits and Investments

As a governmental entity other than an external investment pool in accordance with GASB 31, the Agency's investments are stated at fair value except for interest-earning investment contracts (see Note 4A).

In applying GASB 31, the Agency utilized the following methods and assumptions:

1) Fair value is based on quoted market prices as of the valuation date;

2) The portfolio did not hold investments in any of the following:

   a) Items required to be reported at amortized cost,
   b) Items in external pools that are not SEC-registered,
   c) Items subject to involuntary participation in an external pool,
   d) Items associated with a fund other than the fund to which the income is assigned;

3) The gain/loss resulting from valuation will be reported within the revenue account "interest income" on the Government-wide and Fund Financial Statements - Statement of Revenues, Expenditures and Changes in Fund Balances.

Restricted Assets

Certain proceeds of bonds, notes and loans, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

The Agency is required by California Law to set aside a portion of the property tax increments it receives to increase and improve the County's supply of Low and Moderate Income Housing, and therefore such assets are restricted for that purpose.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F) Assets, Liabilities, and Net Assets or Equity - Continued

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Capital Assets

The Agency follows the capital assets policy of the County of Riverside which is summarized below:

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, traffic signals, park trails and improvements, flood control channels, storm drains, dams, and basins. The capitalization threshold for equipment is $5,000. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements.

The estimated useful lives are as follows:

Infrastructure:	
Flood Channels	99 years
Flood Storm Drains	65 years
Flood Dams and Basins	99 years
Roads	20 years
Traffic Signals	10 years
Parks Trails and Improvements	20 years
Bridges	50 years
Buildings	25-50 years
Improvements	10-20 years
Equipment	3-20 years

Property Taxes

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	January 1		
Levy Date	July 1 to June 30		
Due Date	November 1	-	1st Installment
	February 1	-	2nd Installment
Delinquent Date	December 10	-	1st Installment
	April 10	-	2nd Installment

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F) Assets, Liabilities, and Net Assets or Equity - Continued

Property Taxes - Continued

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the agencies based on complex formulas prescribed by the state statutes.

Land Held for Resale

Land is stated at cost, which approximates market value at June 30, 2011.

Compensated Absences

The Agency follows the vacation and sick pay policies of the County of Riverside. Upon termination or retirement, employees with less than five years of service, are entitled to receive compensation at their current base salary for all unused vacation leave; however, employees with five or more years of service, will have the value of their pay out contributed into the Post Employment Program. Under the Post Employment Program, the employee will designate if they want their funds deposited into the Special Pay Plan and/or the Health Savings Plan. Only retiring employees are entitled to a portion of accumulated sick leave hours, however, the total shall not exceed a sum equal to 960 hours. The balance at June 30, 2011 was $847,583 (see Note 4-F).

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

The Agency implemented GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* as of June 30, 2011. Fund balance in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first and then use unrestricted resources as they are needed. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F) Assets, Liabilities, and Net Assets or Equity - Continued

Fund Equity - Continued

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.

Restricted Fund Balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (though constitutional provisions or enabling legislation).

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority.

Assigned Fund Balance - Amounts that are constrained by the Agency's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom the authority has been given.

Unassigned Fund Balance - These are either residual positive net resources of the General Fund in excess of what can property be classified in one of the other categories, or negative balances in all other funds. Currently, the Agency does not have a General Fund.

Net Assets

Net assets present the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by the District, laws or regulations of other governments.

G) Tax Increment

The Agency follows a policy of what constitutes contractual obligations for the purpose of spending tax increment revenue. This policy holds that all expenditures of the Capital Project Funds (i.e. salaries, goods and supplies, professional services, etc.) are contractual obligations. Monies are therefore transferred from the Debt Service Funds to cover the costs of the expenditures from the Capital Project Funds.

The Agency has no power to levy and collect taxes, and any legislative property tax de-emphasis might necessarily reduce the amount of Tax Revenues that would otherwise be available. Broadened property tax exemptions could have a similar effect. Conversely, any increase in the tax rate or assessed valuation, or any reduction or elimination of present exemptions would necessarily increase the amount of Tax Revenues that would be available.

H) Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by Management. Actual results could differ from those amounts.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I) Relationship to the County of Riverside

The Agency is an integral part of the reporting entity of the County of Riverside. The funds and account groups of the Agency have been blended within the financial statements of the County because the County Board of Supervisors is the governing board of the Agency and exercises control over the operations of the Agency. Only the funds and account groups of the Agency are included herein; therefore, these financial statements do not purport to represent the financial position or results of operations of the County of Riverside, California.

J) Prior Period Adjustments

Description	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Net adjustments for loans receivable to record prior year loans that were expensed and adjust the estimated amounts expected to be received.	$ 5,774,521	$ 5,774,521

2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. The details of capital assets and long-term debt is as follows:

Capital Assets	$ 431,097
Accumulated Depreciation	(279,185)
Capital Assets, Net of Depreciation	$ 151,912
Long-term Debt Payable	$ (835,697,116)
Less: Bond Discount (to be amortized as interest expense)	3,293,598
Bond Refunding	5,819,134
Total Long-term Debt	$ 826,584,384

B) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The details of the net change in compensated absences and other long-term liabilities is as follows:

Net Change in Compensated Absences	$ (20,421)
Principal Repayments and Adjustments on Other Long-term Debt	795,264
Total	$ 774,843

3) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A) Budgetary Accounting

The Agency, as part of the County's budget process, uses the following procedures in establishing the budgetary data reflected in the financial statements.

1) Before the beginning of the fiscal year the Executive Director submits to the Board of Directors a proposed budget for the year commencing the following July 1.

2) Public hearings are conducted to obtain taxpayer comments.

3) The budget is subsequently adopted through passage of a resolution.

4) All appropriated amounts are as originally adopted or as amended by the Board and lapse at year end.

5) Encumbrances and Continuing Appropriations are rebudgeted on July 1 by Board action.

6) Original appropriations are modified by supplementary appropriations and transfers among budget categories. The Board approves all significant changes.

7) Formal budgetary integration is employed as a management control device during the year for all three fund types utilized by the Agency.

8) Budgets for all three fund types utilized by the Agency are adopted on a basis consistent with generally accepted accounting principles.

The Agency, as part of the County's budget process, adopts its annual budget in total by fund type as stated above, and not by individual funds. Therefore, budgetary to actual comparisons for each major special revenue fund as required by Generally Accepted Accounting Principles is not presented as it is not possible to do so.

B) Encumbrances

Encumbrance accounting employed by governmental funds, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. See Note 5-D for encumbrances outstanding at year-end.

C) Other Expenditures

This amount includes $19,989,644 of ACO fees and Pass-Through payments to other governmental entities (see Note 5-C).

4) DETAILED NOTES ON ALL FUNDS

A) Deposits and Investments

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Assets:		
Cash and Investments	$	98,238,045
Cash and Investments with Fiscal Agent		287,584,159
Total Cash and Investments	$	385,822,204

Cash and investments consist of the following:

Riverside County Treasurer's Pooled Investment Fund	$	239,847,381
Investments		145,974,823
Total Cash and Investments	$	385,822,204

Investments Authorized by the California Government Code and the Agency's Investment Policy

The following table identifies the investment types that are authorized for the Agency by the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Agency, rather than the general provisions of the California Government Code or the Agency's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of *Portfolio	Maximum Investment In One Issuer
U.S. Treasury notes, bills, bonds or other certificates of indebtedness	5 years	None	None
Notes, participations, or obligations issued by the agencies of the federal government	5 Years	None	None
Bonds, notes, warrants or certificates of indebtedness issued by the state or local agencies or County of Riverside	3 years	15% or $150 million	3%
Bankers Acceptance (BA's)	180 days	30%	3% or $50 million
Commercial Paper (CP) of U.S. corporations with total assets exceeding $500 million	270 days	40%	3% or $50 million

4) DETAILED NOTES ON ALL FUNDS - Continued

A) Deposits and Investments - Continued

Investments Authorized by the California Government Code and the Agency's Investment Policy - Continued

Authorized Investment Type	Maximum Maturity	Maximum Percentage of *Portfolio	Maximum Investment In One Issuer
Repurchase Agreements (repo) with 102% collateral restricted to U.S. Treasuries, agencies, agency mortgages, CP, BA's	45 days	40%	None
County of Riverside Investment Pool	None	None	None
Money Market Mutual Funds that invest in eligible securities meeting requirements of California Government Code	Daily liquidity	20%	None

*Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Federal Securities	None	None	None
Federal Obligations	None	None	None
U.S. Dollar Denominated Deposit Accounts, Federal Funds and Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Fund	N/A	None	None
Bonds or Other Obligations	None	None	None
Investment Agreements	None	None	None
Other Investments	None	None	None
Local Agency Investment Fund (LAIF)	None	None	None
Riverside County Investment Pool	None	None	None

4) DETAILED NOTES ON ALL FUNDS - Continued

A) Deposits and Investments - Continued

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The Agency had the following investments:

		Maturity Date
Riverside County Treasurer's Pooled Investment Fund	$ 98,238,045	N/A
Held by Fiscal Agent:		
Money Market Funds	72,991,905	N/A
Riverside County Treasurer's Pooled Investment Fund	141,609,336	N/A
Municipal Obligations	72,982,918	07/01/2011 - 04/01/2038
Total	$ 385,822,204	

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by (where applicable) the California Government Code, the Agency's investment policy, or debt agreements, and the actual rating as of the year end for each investment type:

		Legal Rating	Required To Be Rated	AAA	AA	A	BBB	Unrated
Riverside County Treasurer's Pooled Investment Fund	$ 98,238,045	N/A	$	$ 98,238,045	$	$	$	$
Held by Fiscal Agent:								
Money Market Funds	72,991,905	AAA		72,991,905				
Riverside County Treasurer's Pooled Investment Fund	141,609,336	N/A		141,609,336				
Municipal Obligations	72,982,918	N/A		14,082,604	34,242,908	18,365,662	2,795,692	3,496,052
Total	$ 385,822,204		$ 0	$ 326,921,890	$ 34,242,908	$ 18,365,662	$ 2,795,692	$ 3,496,052

4) DETAILED NOTES ON ALL FUNDS - Continued

A) Deposits and Investments - Continued

Disclosures Relating to Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) that represent 5% or more of total Agency's investments.

Issuer	Investment Type	Reported Amount	
Wells Fargo Advantage National Tax-Free #477	Money Market Fund	$	41,099,411

Disclosures Relating to Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2011, all deposits with financial institutions in excess of federal depository insurance limit were held in collateralized accounts where the collateral is not held specifically in the name of the Agency. As of June 30, 2011, the Agency did not have any investments held by a broker-dealer (counterparty) that was used by the Agency to buy the securities.

Investment in Riverside County Treasurer's Pooled Investment Fund

The Riverside County Treasurer maintains a cash and investment pool for all funds of the County and other agencies for which the County treasury is the depository. Interest earned on the pooled funds is allocated and credited to these funds quarterly. Interest is apportioned to the Agency based on the average daily balances on deposit with the Riverside County Treasurer.

4) DETAILED NOTES ON ALL FUNDS - Continued

A) Deposits and Investments - Continued

Investment in Riverside County Treasurer's Pooled Investment Fund - Continued

The Agency is a voluntary participant in the pool regulated by the California Government Code, under the oversight of the Treasurer of the County of Riverside. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by the County of Riverside for the entire pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the pool, which are recorded on an amortized cost basis.

B) Interest Receivable

This amount represents accrued interest receivable on monies held in the County Treasury as well as monies on deposit with the fiscal agent. As of June 30, 2011, the Agency has accrued interest receivable in the amount of $417,009.

C) Loans and Notes Receivable

Loans and Notes Receivable consisted of the following:

	Project Area 1-1986	Jurupa Valley	MID County	Desert Communities	I-215 Corridor	Total
Capital Projects Funds	$	$ 14,110,355	$ 871,286	$ 691,106	$ 1,969,626	$ 17,642,373
Special Revenue Funds	3,688,593	14,414,489	2,783,316	21,546,960	1,923,486	44,356,844
Total	$ 3,688,593	$ 28,524,844	$ 3,654,602	$ 22,238,066	$ 3,893,112	$ 61,999,217

- On an ongoing basis, the Agency has made numerous loans as a part of the Home Improvement Program and First Time Home Buyer's Program. Each loan is to be repaid in a single payment upon sale, conveyance, alienation or transfer of the property to other than the present owner of record or surviving joint tenant. The loans bear no interest rate. The payoff amount is equal to the principal amount plus the Agency's proportionate share of the equity in the property. Loans from prior years were $2,754,659. At June 30, 2011, the balance of Home Improvement Program and First Time Home Buyer's program loans was $3,865,657.

- In 1996-97, the Agency sold the North Hemet parcel of land. The Agency received a note in the amount of $530,000 which was split into $265,000 for Phase I and $265,000 for Phase II of the project. Then the Agency committed an additional $350,000 for development costs for Phase II which was subsequently amended and increased to an amount not to exceed $1,550,000. However, the developer only used $1,200,000 and the note was amended to that amount for the development portion of the note receivable. The principal is to be amortized over fifty-five years at an interest rate of 1%. Annual principal payments of $10,118, plus interest shall be paid from the available net proceeds, until March 31, 2027, at which time all outstanding principal along with accrued interest shall be due and payable. In the event there are insufficient net proceeds for the payment, the payment shall be deferred pursuant to the note. At June 30, 2011, the balance of the note receivable was $530,000 for the land and $1,162,688 for development costs.

4) DETAILED NOTES ON ALL FUNDS - Continued

C) Loans and Notes Receivable - Continued

- During 1997-98, the Agency loaned to the Romoland School District $150,000 to assist with the construction of buildings and facilities. The note bears no interest and will be paid with pass through money each year until paid off. At June 30, 2011, the note balance was $80,000.

- In 1996-97, the Agency approved a note agreement with the Cabazon County Water District to loan the District the actual cost, not to exceed $300,000 at 0% interest, for the engineering, construction and installation of water improvements. The outstanding note balance is to be reimbursed to the Agency as development occurs. At June 30, 2011, the balance of the note receivable was $261,286.

- In 1998-99, the Agency entered into a loan agreement not to exceed $2,750,000 with Wildomar Senior Partners, LP. The purpose of the loan is to help finance the development of a low-income senior apartment complex. The loan terms provide for amortization of principal at 1% interest for 30 years with an initial ten year deferral after which time payments are due from the project's residual receipts. During 2000-01, the Agency agreed to pay the Elsinore Valley Municipal Water District for sewer connection fees in the amount of $252,435 on behalf of the Wildomar Senior Partners. Under the agreement, the Wildomar Senior Partners agreed to repay the debt by assigning to the Agency reimbursement payments from the Elsinore Valley Municipal Water District. These payments will be remitted directly to the Agency and consist of water and sewer reimbursement fees collected by the water district from property owners. At June 30, 2011, the balance of the loan and reimbursement agreement was $3,068,000.

- On an ongoing basis, the Agency has made housing loans as a part of the Mobile Home and Agricultural Housing Programs for the Coachella Valley. The loans bear various interest rates ranging from 0% interest to a 3% fixed rate. At June 30, 2011, the balance of the Mobile Home and Agricultural Housing Program loans was $13,748,200.

- In 2001-02, the Agency loaned $800,000 in low and moderate income housing funds to the Mecca Family Housing Associates, a California Limited Partnership, to assist in financing the Mecca Family Housing Development. The loan terms provide for payment on demand, or if no demand is made, the loan shall be deferred for a period of 660 months and shall have a maturity date of July 1, 2056. In 2006, an additional $70,000 was loaned to Mecca Apartments. The loan carries a zero percent interest rate. At June 30, 2011, the balance of the loan was $870,000.

- In 2006-07, the Agency entered into an agreement with the Jurupa Unified School District to loan $5,000,000 for the design, engineering and construction of a multi-purpose stadium at Rubidoux High School. The agreement calls for $3,000,000 of zero percent interest shall be reimbursed to the Agency from the District's annual pass-through funds in the amount of $200,000 per year on an annual basis until June 15, 2022. The remaining $2,000,000 will be paid from incremental pass through funds received by the District from the Agency that exceed the amount received in fiscal year 2005-2006. Payments from pass-through funds received reached $2,000,000 in 2009-2010 and have been recorded as an offset. At June 30, 2011, the balance of the note was $2,137,099.

- In 2006-07, the Agency executed a promissory note with Chuckwalla Valley Associates, LLC, a California limited liability company for $637,000. The promissory note was related to the sale of certain properties located in the community of Desert Center by the Agency to Chuckwalla Valley Associates. The promissory note is due and payable in full on December 13, 2007; however, repayment was extended for an additional one year term, until December 13, 2008 plus accrued interest. The note carries a 7% interest per annum. At June 30, 2011, the balance of the promissory note was $691,106.

4) DETAILED NOTES ON ALL FUNDS - Continued

C) Loans and Notes Receivable - Continued

- In 2003-04, the Agency was authorized to borrow $1,750,000 in installments from the California Housing Finance Agency (CalHFA) and to loan the same money to the Coachella Valley Housing Coalition (CVHC) as a revolving loan fund for land acquisition, off-site infrastructure improvements and other up-front costs associated with the development of affordable housing in the Mecca community. The CalHFA revolving loan to the Agency bears simple interest at 3% per annum with payments deferred for 10 years until maturity on May 23, 2013.

  Also in October 2008, the Agency entered into an agreement to loan CVHC $1,000,000 for the construction of 291 single family homes called the Nuestro Orgullo Homes through CVHC's Mutual Self Help Program. As of June 30, 2011, the balance of this loan was $697,647.

- In 2006-07, the Agency entered into a loan agreement for $560,000 with the Angel View Crippled Children's Foundation for use in the development and construction of a single family group home near Desert Hot Springs. This family group home will be State licensed to provide 24-hour personal care, developmental services and nursing supervision for zero to three year old infants with disabilities who have been removed from their homes by court order. The loan shall accrue simple interest at 3% per annum on December 30, 2063. However, it is intended that the full amount of the loan will be forgiven at 55 years from the Certificate of Occupancy. At June 30, 2011, the balance of the loan was $560,000.

- In 2006-07, the Agency loaned $1,500,000 to Coachella Valley Housing Coalition to assist in the development of 275 single family units of Nuestro Ogrullo Homes designated for low income residents. The principal of the loan bears interest at zero percent per annum and will be transferred to individual homebuyers as mortgage assistance in the form of a silent deed of trust forgiven in 45 years. It is intended that the full amount of the loan will be reduced by the mortgage assistance subsidies given to the low income buyers. At June 30, 2011, the balance of the loan was $1,500,000.

- In 2003-04, the Agency entered into a loan agreement with Mission LaRue Limited Partnership, a California Limited Partnership. The purpose of the loan is to finance the development of an affordable rental housing complex for independent living seniors. The original loan was $250,000 but was amended to $750,000. The term of the loan agreement is for fifty-five years and is due and payable on March 31, 2034. The loan shall accrue interest at a rate of 1% per annum. At June 30, 2011, the balance of the loan was $659,333.

- In 2006-07, the Agency entered into a loan agreement with Mission Larue II, a California Limited Partnership. The purpose of the loan is to help finance the development of a low-income senior apartment complex, "Mission Palms II Apartments". The original loan was for $1,400,000 but was amended to $1,000,000. The term of the agreement is for fifty-five years and is due and payable in full on July 1, 2063. The loan shall accrue simple interest at a rate of 1% per annum. At June 30, 2011, the balance of the loan was $400,000.

- In 2007-08, the Agency was authorized to loan $1,500,000 in low and moderate income housing funds to MCFA Partners, a California Limited Partnership, to help finance the development and construction of a rental housing complex known as Clinton Family Apartments, in the community of Mecca. The principal is to be amortized over fifty-five years at an interest rate of 3%. Annual principal payments of $56,024, plus interest shall be due and payable on the first of December starting 2010 until maturity on December 31, 2064. At June 30, 2011, the balance of the loan was $1,500,000.

4) DETAILED NOTES ON ALL FUNDS - Continued

C) Loans and Notes Receivable - Continued

- In November 2008, the Agency entered into a loan agreement with Paseo Housing Associates, L.P. for $1,525,000 to construct a 52-unit-for-rent mobile home park in the community of Mecca. The principal of the loan is to be amortized over fifty-five (55) years at 3% simple interest per annum, due and payable in full by December 31, 2065. As of June 30, 2011 the balance of this loan was $1,525,000.

- In September 2008, the Agency and Mission Village Senior Apartments, L.P. (Borrower), a California limited partnership entered into an Affordable Housing Agreement for a loan of $9,824,015. The loan bears simple interest at 3% per annum based on the amount advanced by the Agency to the Borrower. The loan shall be paid annually equal to 50% of the Residual Receipts from the operation of the housing project. Any remaining portion of the loan is due and payable on the 56th anniversary of the date of the County's issuance of a Certificate of Occupancy for all units in the housing project. As of June 30, 2011 the balance of this loan was $10,474,015.

- In December 2008, the Agency entered a Memorandum of Understanding (MOU) with the National Community Renaissance of California for a loan of $408,000 to build an 80-unit multifamily affordable housing complex for low income households in the Agency's property on Clinton Street. In January 2010, the loan amount was increased by $589,400. The loan amount will be used for the entitlement process and to explore a possible Disposition and Development Agreement satisfactory to the Agency's terms. The term of the agreement is for 18 months from the date of the agreement. As of June 30, 2011 the balance of this loan was $842,417.

- In September 2009, the Agency entered into an agreement for the Infill Construction of a single family home in North Shore. The term of the loan is to be fifty-five (55) years and shall be due in full on March 1, 2065. The principal of the loan is to be amortized over fifty-five (55) years at 1%. Monthly payments begin on April 1, 2010. At June 30, 2011, the balance of the loan is $197,967.

- In March 2010, the Agency entered into an agreement with Operation Safe House, Inc., in the amount of $1,100,000. The loan bears no interest rate. The repayment of the loan shall be paid by the Borrower's annual payment to the Agency of an amount equal to 50% of the residual receipts from operation of the Housing Project as determined by a residual receipts calculation from the operation of the Housing Project the preceding calendar year and shall be paid within 90 days of each year-end. As of June 30, 2011, the balance of the loan is $290,156.

- In January 2009, the Agency entered into an agreement for a Pre-redevelopment Loan to the developer, Northtown Housing Development Corporation. The purpose of the loan is to provide the developer with funds for pre-redevelopment activities including obtaining entitlements to the property. The amount of the loan is $660,000. The balance of the loan as of June 30, 2011, is $482,685.

- In July 2009, the Agency entered into an agreement with SL-Imperial, LLC. The purpose of the loan agreement is to fund a pilot program, whereby SL-Imperial, LLC will acquire foreclosed homes, repair and rehabilitate the homes, then sell the homes to first-time home buyers, whose income is less than 120% of the county area median income. As of June 30, 2011, the balance of the loan is $1,091,138.

4) DETAILED NOTES ON ALL FUNDS - Continued

C) Loans and Notes Receivable - Continued

- In October 2009, the Agency entered into an agreement with Inspire Life Skills Training Inc., for the use of low and moderate income housing. The low and moderate-income housing set-aside funds will be used to improve and increase the supply of the affordable housing in the unincorporated area of Riverside County. These funds will also be used to acquire and rehabilitate one single-family property and rent to very low-income households. As of June 30, 2011, the balance of the loan is $327,623.

- In 2004, the Agency entered into a cooperative agreement with the Jurupa Area Recreation and Park District, whereby they both will cooperate and assist each other in certain redevelopment activities. The agreement outlines the terms and conditions by which the Agency will provide funding to rehabilitate and improve Agate Park, Avalon Park, Memorial Park Ball fields and Knowles Park. The Agency will provide complete design, construction and administration services with the use of the Jurupa Valley redevelopment capital improvement funds, which shall be reduced by its pass through payments. Pursuant to Health and Safety (H & S) Code, Section 33607.5 (a) (2), the agency shall reduce its pass through payments to the Jurupa Valley Project Area for the post-AB1290 amendment area of the Jurupa Valley Redevelopment Project Area, by any amount the Agency has paid, directly or indirectly, in connection with the Project, which includes but is not limited to, all engineering costs, construction costs, permits, fees, inspection costs and furnishings. As of June 30, 2011 the balance of the loan is $4,855,944.

- In 2002/03, the Agency entered into a cooperative agreement with the Rubidoux Community Services District, (RCSD). The Agency agreed to provide gap funding in the amount to $2,000,000 for design and construction of the Rubidoux Community Fire Station Project. Pursuant to Health and Safety (H & S) Code, Section 33607.5 (a) (2), the agency shall reduce its pass through payments to the RCSD for the post-AB1290 amendment area of the Jurupa Valley Redevelopment Project Area, by any amount the Agency has paid, directly or indirectly, in connection with the Project, which includes but is not limited to, all engineering costs, construction costs, permits, fees, inspection costs and furnishings. The term of this agreement is fifteen, (15) Years. As of June 30, 2011 the balance of the loan is $4,187,241.

- In 2005, the Agency entered into the Vernola Basin Reimbursement Agreement with eight property owners, Flood control and water conservation district, ("Flood") and Jurupa Area Recreation and Park District, (JARPD). The purpose of this agreement was to assist in the design, construction, and installation of certain storm water facilities, an outlet line, a storm water drain line, certain street improvements, and park improvements.

  The reimbursement obligation for the eight property owners will be calculated based on their individual acreage. As of June 30, 2011, the balance of the property owners' loan was $814,643. The Agency has incurred costs of $2,537,407, through June 30, 2010 for the Flood district. Flood has paid this amount in full as of June 30, 2010. The Agency's cost of constructing and installing the Park Improvements is estimated to be $5,250,000. The Agency has provided the Jurupa Area Recreation and Park District with a $1,000,000 grant. The remaining $4,250,000 will be reimbursed to the Agency by the Jurupa Area Recreation and Park District who will be using Quimby Fees and Mello-Roos Community Facilities District, ("Park District CFD"). The balance of JARPD's loan is $2,115,429 as of June 30, 2011.

4) DETAILED NOTES ON ALL FUNDS - Continued

C) Loans and Notes Receivable - Continued

- In September 2010, the Agency entered into an agreement with AMA Plastics for the acquisition of an existing 150,000 square foot industrial building in the Hunter Park industrial area in the City of Riverside. The term of the loan is ten years. The principal amount of the loan is $2,000,000. The first $1,000,000 is to be amortized over ten years at 4% interest. The second $1,000,000 is to be amortized over ten years at 0% interest. The monthly payments on the first $1,000,000 began in April 2011. No payments would begin on the additional $1,000,000 and the principle owed would be reduced $200,000 per year during the first five years as long as AMA Plastics maintains employment levels as specified in the agreement. If employment levels are not maintained in accordance with the agreement, AMA Plastics would be required to make a balloon payment on the outstanding principal at the maturity date April 2021. At June 30, 2011, the balance of the loan is $1,969,626.

- In October 2010, Inland Empire Rescue Mission, Inc. DBA Temecula Murrieta Rescue Mission (TMRM), was authorized a Redevelopment loan to acquire and rehabilitate single-family homes to very low income persons that are actively participating in TMRM Strong Beginnings Program whose incomes do not exceed 50% of the area median family income for Riverside County.

  As permitted by the loan agreement, on November 2010, the Agency entered into a loan agreement, whereby it is intended that the full amount of the Agency Loan attributable to the property will be forgiven at the end of the Affordability Period as defined in the agreement provided that TMRM is not in default of the Note or the Agreement. The Agency loan will accrue interest at a rate of zero percent (0%), per annum, except in the case of default as provided in the Agreement. At June 30, 2011, the balance of the loan is $989,820.

D) Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
Capital Project - Desert Communities	Capital Project - Jurupa Valley	$ 1,499,549
	Capital Project - MID County	1,000,000
Capital Project - I-215 Corridor	Capital Project - Project Area 1-1986	173
	Capital Project - Jurupa Valley	1,760
	Capital Project - MID County	237
Special Revenue - I-215 Corridor	Debt Service - I-215 Corridor	10,210
Special Revenue - MID County	Debt Service - MID County	2,487
Special Revenue - Desert Communities	Debt Service - Desert Communities	4,672
Special Revenue - Project Area 1-1986	Debt Service - Project Area 1-1986	2,126
Special Revenue - Jurupa Valley	Special Revenue - Project Area 1-1986	8,701
	Special Revenue - MID County	5,992,881
	Special Revenue - Desert Communities	6,016,061
	Special Revenue - I-215 Corridor	16,506
	Debt Service - Jurupa Valley	17,588
	Capital Project - Jurupa Valley	67,540
	Capital Project - I-215 Corridor	55,817
		$ 14,696,308

4) DETAILED NOTES ON ALL FUNDS - Continued

D) Interfund Receivables, Payables, and Transfers - Continued

Interfund Transfers:

	Transfers In	Transfers Out
Capital Project Funds:		
MID County	$	$ 247,485
Desert Communities		1,258,574
I-215 Corridor		2,256,325
Debt Service Funds:		
Project Area 1-1986	856,417	
Jurupa Valley	3,796,177	
MID County	1,062,225	
Desert Communities	3,157,055	
I-215 Corridor	3,667,744	
Special Revenue Fund:		
Project Area 1-1986		856,417
Jurupa Valley		3,796,177
MID County		814,740
Desert Communities		1,898,481
I-215 Corridor		1,411,419
	$ 12,539,618	$ 12,539,618

A majority of the revenues are received in the debt service funds, and the transfers are made to meet contractual debt service obligations in the capital project funds.

Special revenue, debt service and capital project funds due to/from are between funds within the fund type to cover cash shortages and reimburse other funds for services.

E) Capital Assets

Capital asset activity for the year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Being Depreciated:				
Equipment	$ 5,765	$	$	$ 5,765
Vehicles	425,332			425,332
Total Capital Assets Being Depreciated	431,097	0	0	431,097
Less Accumulated Depreciation:				
Equipment	(2,434)	(1,153)		(3,587)
Vehicles	(204,709)	(70,889)		(275,598)
Total Accumulated Depreciation	(207,143)	(72,042)	0	(279,185)
Total Capital Assets Being Depreciated, Net	223,954	(72,042)	0	151,912
Governmental Activities Capital Assets, Net of Depreciation	$ 223,954	$ (72,042)	$ 0	$ 151,912

4) DETAILED NOTES ON ALL FUNDS - Continued

E) Capital Assets - Continued

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Project Improvement Costs	$ 72,042
Total Depreciation Expense - Governmental Activities	$ 72,042

F) Changes in Long-Term Liabilities

Activities related to Long-Term Liabilities are presented as follows:

Description	Date of Issue	Years of Maturity	Interest Rate	Amount Authorized
Compensated Absences (Note 1)	N/A	N/A	N/A	$ N/A
CORAL Reimbursement Agreement	6-88	1988-2015	5.65%	N/A
CORAL Lease Agreement - Bellegrave Land	11-93	N/A	N/A	5,128,789
Loans Payable	Various	Various	Various	452,163,523
CalHFA Loan	5-03	2013	3%	1,750,000
Contractual Agreements Payable	Various	1999-2028	3.50 - 7.00%	3,059,500
Owner Participation Agreements	Various	Various	Various	N/A
2004 Tax Allocation Bonds - Series A	12-04	2005-2037	4.75-7.00%	38,225,000
2004 Tax Allocation Bonds - Series A-T	12-04	2005-2028	2.90-4.87%	37,000,000
2005 Tax Allocation Housing Refunding Bonds - Series A	4-05	2005-2034	3.00-4.50%	18,245,000
2007 Tax Allocation Refunding Bonds	4-07	2009-2036	4.00-4.50%	89,990,000
County Bond Anticipation Note - Series 2009	7-09	2012	Variable	15,000,000
2010 Tax Allocation Housing Bond - Series A	5-10	2036-2039	6.00%	15,885,000
2010 Tax Allocation Housing Bond - Series A-T	5-10	2011-2037	4.75-7.75%	50,860,000
2010 Tax Allocation Bonds - Series C	6-10	2011-2041	2.00-6.25%	5,645,000
2010 Tax Allocation Bonds - Series D	6-10	2011-2041	2.00-5.38%	32,415,000
2010 Tax Allocation Bonds - Series E	7-10	2011-2041	2.00-5.25%	50,520,000
2011 Tax Allocation Housing Bonds - Series A	3-11	2012-2043	2.73-6.25%	14,093,028
2011 Taxable Tax Allocation Housing Bonds - Series A-T	3-11	2012-2022	2.73-6.25%	14,095,000
2011 Tax Allocation Bonds - Series B	3-11	2012-2043	2.72-6.00%	23,133,000
2011 Taxable Tax Allocation Bonds - Series B-T	3-11	2012-2020	2.72-6.00%	11,525,000
2011 Second Lien Tax Allocation Bonds - Series D	3-11	2012-2038	2.50-4.00%	6,475,000
2011 Second Lien Tax Allocation Bonds - Series E	3-11	2012-2045	2.75-7.85%	12,579,720

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

Description	Beginning Balance	Adjustments[1]	New Indebtedness	Retired During Year	Ending Balance	Due Within One Year
Compensated Absences (Note 1)	$ 827,162	$	$ 61,779	$ 41,358	$ 847,583	$ 42,379
CORAL Reimbursement Agreement	2,986,894	36,480		401,646	2,621,728	473,412
CORAL Lease Agreement - Bellegrave Land	2,646,834			329,397	2,317,437	364,275
Loans Payable	423,987,644			9,022,644	414,965,000	7,895,000
CalHFA Loan	1,750,000				1,750,000	
Contractual Agreements Payable	470,000			94,000	376,000	94,000
Owner Participation Agreements	7,103,717	(18,659)		411,438	6,673,620	419,667
2004 Tax Allocation Bonds - Series A	38,225,000				38,225,000	
2004 Tax Allocation Bonds - Series - A-T	31,230,000			1,090,000	30,140,000	1,135,000
2005 Tax Allocation Housing Refunding Bonds - Series A	16,360,000			405,000	15,955,000	420,000
2007 Tax Allocation Refunding Bonds	86,470,000			1,870,000	84,600,000	1,940,000
County Bond Anticipation Note - Series 2009	15,000,000			15,000,000	0	
2010 Tax Allocation Housing Bonds - Series A	15,885,000				15,885,000	
2010 Tax Allocation Housing Bonds - Series A-T	50,860,000				50,860,000	820,000
2010 Tax Allocation Bonds - Series C			5,645,000		5,645,000	45,000
2010 Tax Allocation Bonds Series - D			32,415,000		32,415,000	640,000
2010 Tax Allocation Bonds Series - E			50,520,000		50,520,000	585,000
2011 Tax Allocation Housing Bonds - Series A			14,093,028		14,093,028	
2011 Taxable Tax Allocation Housing Bonds - Series A-T			14,095,000		14,095,000	1,830,000
2011 Tax Allocation Bonds - Series B			23,133,000		23,133,000	
2011 Taxable Tax Allocation Housing Bonds - Series B-T			11,525,000		11,525,000	2,075,000
2011 Second Lien Tax Allocation Bonds - Series D			6,475,000		6,475,000	225,000
2011 Second Lien Tax Allocation Bonds - Series E			12,579,720		12,579,720	370,000
Total	693,802,251	17,821	170,542,527	28,665,483	835,697,116	19,373,733
Less Deferred Amounts:						
Bond Discounts	(3,427,822)			(134,224)	(3,293,598)	
On Refunding	(6,053,365)			(234,231)	(5,819,134)	
Total Long-Term Liabilities	$ 684,321,064	$ 17,821	$ 170,542,527	$ 28,297,028	$ 826,584,384	$ 19,373,733

[1] The Coral Reimbursement Agreement and Owner Participation Agreements had adjustments due to changes in estimated outstanding debt.

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

The future debt requirements of the Long-Term Liabilities are as follows:

Year Ended June 30,	2005 Loans Payable		2006 Loans Payable	
	Principal	Interest	Principal	Interest
2012	$ 1,325,000	$ 4,650,575	$ 2,800,000	$ 6,076,388
2013	1,375,000	4,593,137	2,930,000	5,961,788
2014	1,425,000	4,530,137	3,040,000	5,842,387
2015	1,500,000	4,460,575	3,160,000	5,718,388
2016	1,575,000	4,383,700	3,295,000	5,589,288
2017-2021	9,140,000	20,589,650	18,690,000	25,593,075
2022-2026	11,770,000	17,905,594	23,270,000	20,876,269
2027-2031	14,960,000	14,657,944	29,315,000	14,719,513
2032-2036	23,100,000	10,297,500	32,560,000	7,088,000
2037-2038	28,020,000	1,420,250	12,670,000	641,250
Total	$ 94,190,000	$ 87,489,062	$ 131,730,000	$ 98,106,346

Year Ended June 30,	2007 Loans Payable		Total Loans Payable	
	Principal	Interest	Principal	Interest
2012	$ 3,770,000	$ 8,656,375	$ 7,895,000	$ 19,383,338
2013	3,935,000	8,489,847	8,240,000	19,044,772
2014	4,110,000	8,324,344	8,575,000	18,696,868
2015	4,275,000	8,127,619	8,935,000	18,306,582
2016	4,485,000	7,914,356	9,355,000	17,887,344
2017-2021	25,570,000	36,440,694	53,400,000	82,623,419
2022-2026	32,215,000	29,586,006	67,255,000	68,367,869
2027-2031	40,585,000	21,064,428	84,860,000	50,441,885
2032-2036	48,720,000	10,603,431	104,380,000	27,988,931
2037-2038	21,380,000	970,650	62,070,000	3,032,150
Total	$ 189,045,000	$ 140,177,750	$ 414,965,000	$ 325,773,157

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

Year Ended June 30,	2004A Tax Allocation Bonds Principal	2004A Tax Allocation Bonds Interest	2004AT Tax Allocation Bonds Principal	2004AT Tax Allocation Bonds Interest	2005A Tax Allocation Housing Refunding Bonds Principal	2005A Tax Allocation Housing Refunding Bonds Interest
2012	$	$ 1,890,625	$ 1,135,000	$ 1,541,277	$ 420,000	$ 727,519
2013		1,890,625	1,185,000	1,488,593	430,000	711,569
2014		1,890,625	1,240,000	1,431,708	455,000	694,437
2015		1,890,625	1,300,000	1,370,541	465,000	676,606
2016		1,890,625	1,365,000	1,303,601	485,000	657,606
2017-2021		9,453,125	7,960,000	5,354,108	2,765,000	2,956,828
2022-2026		9,453,125	10,275,000	2,962,226	3,435,000	2,275,163
2027-2031	7,635,000	8,932,000	5,680,000	369,725	4,340,000	1,354,000
2032-2036	19,655,000	5,406,938			3,160,000	242,250
2037-2038	10,935,000	553,375				
Total	$ 38,225,000	$ 43,251,688	$ 30,140,000	$ 15,821,779	$ 15,955,000	$ 10,295,978

Year Ended June 30,	2007 Tax Allocation Refunding Bonds Principal	2007 Tax Allocation Refunding Bonds Interest	2010A Tax Allocation Housing Bond Principal	2010A Tax Allocation Housing Bond Interest	2010A-T County Bond Housing Bond Principal	2010A-T County Bond Housing Bond Interest
2012	$ 1,940,000	$ 3,592,813	$	$ 953,100	$ 820,000	$ 3,677,400
2013	2,015,000	3,513,712		953,100	860,000	3,637,500
2014	2,095,000	3,431,513		953,100	900,000	3,595,700
2015	2,185,000	3,345,913		953,100	940,000	3,552,000
2016	2,270,000	3,256,813		953,100	985,000	3,506,281
2017-2021	12,790,000	14,815,938		4,765,500	5,900,000	16,471,125
2022-2026	15,630,000	11,891,909		4,765,500	8,315,000	13,954,125
2027-2031	19,295,000	8,138,759		4,765,500	11,935,000	10,196,250
2032-2036	26,380,000	3,205,181		4,765,500	17,215,000	4,691,656
2037-2040			15,885,000	2,170,050	2,990,000	235,988
Total	$ 84,600,000	$ 55,192,551	$ 15,885,000	$ 25,997,550	$ 50,860,000	$ 63,518,025

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

Year Ended June 30,	2010C Tax Allocation Bond Principal	2010C Tax Allocation Bond Interest	2010D Tax Allocation Bond Principal	2010D Tax Allocation Bond Interest	2010E Tax Allocation Bond Principal	2010E Tax Allocation Bond Interest
2012	$ 45,000	$ 338,313	$ 640,000	$ 1,716,362	$ 585,000	$ 3,082,656
2013	45,000	337,300	650,000	1,700,213	600,000	3,067,806
2014	50,000	335,925	670,000	1,680,413	620,000	3,046,406
2015	50,000	334,175	690,000	1,656,562	645,000	3,021,106
2016	50,000	332,175	715,000	1,628,463	670,000	2,994,806
2017-2021	300,000	1,620,434	4,060,000	7,647,975	3,830,000	14,459,610
2022-2026	380,000	1,529,503	5,140,000	6,527,306	4,995,000	13,237,225
2027-2031	515,000	1,398,250	6,680,000	4,929,175	6,720,000	11,453,813
2032-2036	700,000	1,211,875	8,845,000	2,685,450	9,150,000	8,940,425
2037-2041	3,510,000	722,813	4,325,000	263,250	22,705,000	4,477,688
Total	$ 5,645,000	$ 8,160,763	$ 32,415,000	$ 30,435,169	$ 50,520,000	$ 67,781,541

Year Ended June 30,	2011A Tax Allocation Housing Bond Principal	2011A Tax Allocation Housing Bond Interest	2011A-T Tax Allocation Housing Bond Principal	2011A-T Tax Allocation Housing Bond Interest	2011B Tax Allocation Bonds Principal	2011B Tax Allocation Bonds Interest
2012	$	$ 498,778	$ 1,830,000	$ 905,894	$	$ 941,896
2013		468,825	955,000	809,041		906,638
2014		468,825	980,000	773,550		906,638
2015		468,825	1,030,000	728,300		906,637
2016		468,825	1,075,000	670,300		906,637
2017-2021		2,344,125	6,585,000	2,039,825	1,125,000	5,156,344
2022-2026	510,857	8,977,769	1,640,000	65,600	6,720,000	5,383,687
2027-2031	889,319	9,046,869			7,803,570	2,616,662
2032-2036	1,173,876	8,008,937			2,494,777	91,400
2037-2041	3,807,992	6,366,112			3,755,475	
2042-2043	7,710,984	694,363			1,234,178	
Total	$ 14,093,028	$ 37,812,253	$ 14,095,000	$ 5,992,510	$ 23,133,000	$ 17,816,539

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

Year Ended June 30,	2011B-T Tax Allocation Housing Bond Principal	2011B-T Tax Allocation Housing Bond Interest	2011D Housing Bond Principal	2011D Housing Bond Interest	2011E Tax Allocation Bonds Principal	2011E Tax Allocation Bonds Interest
2012	$ 2,075,000	$ 610,905	$ 225,000	$ 520,821	$ 370,000	$ 921,307
2013	1,000,000	542,676	100,000	427,225	150,000	753,387
2014	1,030,000	505,441	100,000	423,725	155,000	741,975
2015	1,070,000	460,225	110,000	418,150	165,000	731,575
2016	1,120,000	405,350	115,000	410,838	180,000	721,862
2017-2021	5,230,000	809,400	700,000	1,927,275	1,080,000	3,413,663
2022-2026			960,000	1,655,675	1,485,000	2,994,219
2027-2031			1,335,000	1,267,744	2,065,000	2,393,050
2032-2036			1,875,000	704,837	2,900,000	1,522,238
2037-2041			955,000	70,506	2,670,000	3,819,407
2042-2045					1,359,720	24,036,660
Total	$ 11,525,000	$ 3,333,997	$ 6,475,000	$ 7,826,796	$ 12,579,720	$ 42,049,343

Coral Reimbursement Agreement

The County of Riverside Asset Leasing Corporation ("CORAL") has issued Certificates of Participation for the plan, design, and construction of public facilities within Redevelopment Project areas. In June 1988, the Agency entered into an agreement with CORAL whereby taxes collected by the Agency will be used to reimburse CORAL for debt service on the 1985 Certificates of Participation for a minimum of $3,659,852 payable in annual installments in varying amounts over the term of the certificates.

The amount to be reimbursed by the RDA is determined by multiplying the ratio of the assessed property value of the RDA over the assessed unincorporated property value of the County times the amount of the 1985 Certificates outstanding. The terms of the reimbursement agreement call for annual payments to be made by the RDA to CORAL over the life of the 1985 Certificates in an amount determined by applying the ratio described above to the annual lease payment made by the County to CORAL on the capital projects funded by the 1985 Certificates.

The amount represents the portion of the total CORAL indebtedness which was used to construct public facilities. The Agency can defer any annual payment until adequate funds are available. The deferred payments shall bear interest at the same rate for the same periods as the CORAL Certificates of Participation.

The $36,480 adjustment was made to book the proper long term liability based on projected assessed values over the remaining years of the certificates outstanding. Each year this balance will need to be adjusted based on the updated projected assessed property values.

The outstanding balance at June 30, 2011, is $2,621,728.

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

Coral Lease Agreement

In 1990-91, the County of Riverside Asset Leasing Corporation ("CORAL") purchased the property for a Sheriff Station with the understanding that the Redevelopment Agency's tax increment could be a resource to service the debt. A formal agreement between the Agency and the County was not executed at the time and the Agency's share of the purchase price was not formally agreed upon. Therefore, at June 30, 1993, this was considered to be a contingent liability. In 1993-94 a formal lease agreement was executed and lease payments were applied according to the variable interest rate in the lease agreement plus an annual administrative fee. The property was developed as a sports park after the Sheriff Station was constructed on another site.

The outstanding balance at June 30, 2011, is $2,317,437.

Loans Payable

1) In FY2005, the Riverside County Public Financing Authority (the "Authority") issued Tax Allocation Revenue Bonds for financing projects in the Agency's five redevelopment project areas. The Redevelopment Agency issued five separate series of bonds and re-sold those bonds to the Authority to be pooled and sold pursuant to the Marks-Roos Act. Concurrent with the execution and delivery of the Agency Bonds, the Authority issued the aggregate principal amount of the Tax Allocation Revenue Bonds to the Redevelopment Agency.

   The Bonds are limited obligations of the Authority entitled, ratably and equally, to the benefits of the Indenture and are payable solely from and secured by an assignment and pledge of certain tax revenues derived from taxes assessed on property within the Project Areas and other amounts allocated and paid to the Agency.

   The Agency is required to maintain a Reserve Account for each project area that is not covered by a surety bond, so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or, (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts. The Jurupa Valley and Desert Communities Project Areas are covered by an insurance policy and are exempted from the above requirements.

   The outstanding balance at June 30, 2011 is $94,190,000.

   The reserve balance requirement at June 30, 2011 is as follows:

	Required	Actual
Reserve Accounts	$ 3,771,959	$ 3,823,824

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

Loans Payable - Continued

2) In FY2006, the Riverside County Public Financing Authority (the "Authority") issued Tax Allocation Revenue Bonds for financing projects in the Agency's five redevelopment project areas. The Redevelopment Agency issued five separate series of bonds and re-sold those bonds to the Authority to be pooled and sold pursuant to the Marks Roos Act. Concurrent with the execution and delivery of the Agency Bonds, the Authority issued the aggregate principle amount of the Tax Allocation Revenue Bonds to the Redevelopment Agency.

The Bonds are limited obligations of the Authority entitled, ratably and equally, to the benefits of the Indenture and are payable solely from and secured by an assignment and pledge of certain tax revenues derived from taxes assessed on property within the Project Areas and other amounts allocated and paid to the Agency.

The Agency is required to maintain a Reserve Account for each project area that is not covered by a surety bond, so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or, (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts. The Jurupa Valley and Desert Communities project areas are covered by an insurance policy and are exempted from the above requirements.

The outstanding balance at June 30, 2011 is $131,730,000.

The reserve balance requirement at June 30, 2011 is as follows:

	Required	Actual
Reserve Accounts	$ 3,563,223	$ 3,951,257*

*An insurance policy was purchased to cover the remainder of the reserve requirement.

3) In FY2007, the Riverside County Public Financing Authority (the "Authority") issued Tax Allocation Revenue Bonds for financing projects in the Agency's five redevelopment project areas. The Redevelopment Agency issued five separate series of bonds and re-sold those bonds to the Authority to be pooled and sold pursuant to the Marks Roos Act. Concurrent with the execution and delivery of the Agency Bonds, the Authority issued the aggregate principle amount of the Tax Allocation Revenue Bonds to the Redevelopment Agency.

The Bonds are limited obligations of the Authority entitled, ratably and equally, to the benefits of the Indenture and are payable solely from and secured by an assignment and pledge of certain tax revenues derived from taxes assessed on property within the Project Areas and other amounts allocated and paid to the Agency.

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

Loans Payable - Continued

The Agency is required to maintain a Reserve Account for each project area that is not covered by a surety bond, so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or, (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts. The project areas are covered by an insurance policy and are exempted from the above requirements.

The outstanding balance at June 30, 2011 is $189,045,000.

CalHFA Loan

The California Housing Finance Agency entered into an agreement, on May 23, 2003, with the Redevelopment Agency to loan funds for the purpose of assisting the Redevelopment Agency in operating a local housing program. The loan amount under the agreement is up to a maximum of $1,750,000. The loan carries a simple annual interest rate of 3% and the principal portion of the loan is due on May 23, 2013, ten years from date of the agreement. The outstanding balance at June 30, 2011 is $1,750,000.

Contractual Agreement Payable

In fiscal year ending 1995, the Agency entered into an agreement, which was later amended in 1997, to assist the County of Riverside in the construction of certain street improvements within the Desert Communities Project Area with the Agency's portion not to exceed $1,880,000. The Agency currently makes annual payments of $94,000 to the County not to exceed 20 years from the start of the contract in 1996-97. The outstanding balance at June 30, 2011 is $376,000.

Owner Participation Agreements

The Agency has entered into several Owner Participation Agreements with various property owners in several project areas dating back to 1990. Currently, five agreements are still legal and binding. The agreements are for the reimbursement of tax increments to certain companies. The outstanding agreements have various payments.

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

Owner Participation Agreements - Continued

The following chart shows the beginning date of the agreement, rebate amounts paid to date, the remaining balance not to be exceeded and the expiration year on the agreement regardless of total rebate payments.

Company/Owner Name	Beginning Date	Rebates Paid to Date	Balance Remaining	Expiration Date
CFD 87-1	1990	$ 1,070,397	$ 2,354,842	2020
CFD 88-8	1990	748,063	734,714	2015
Taber-Oak Tree Apartments	1991		84,064	2011
Valle Del Sol Energy, LLC	2007		3,500,000	*
Totals		$ 1,818,460	$ 6,673,620	

*Maximum period of five years upon completion of the project.

At June 30, 2011, the Agency had $6,673,620 in Owner Participation Agreements outstanding.

2004 TAX ALLOCATION BONDS - Series A

During the fiscal year ended June 30, 2005, the Agency issued Tax Allocation Bonds for financing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) pay the costs of certain low and moderate income housing projects of the Agency with respect to the Agency's redevelopment project areas, (ii) purchase a reserve policy for credit to the Reserve Account for the Bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2011 is $38,225,000.

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

2004 TAX ALLOCATION BONDS - Series A-T

During the fiscal year ended June 30, 2005, the Agency issued Tax Allocation Bonds for financing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) pay the costs of certain low and moderate income housing projects of the Agency with respect to the Agency's redevelopment project areas, (ii) purchase a reserve policy for credit to the Reserve Account for the Bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2011 is $30,140,000.

2005 TAX ALLOCATION HOUSING REFUNDING BONDS - Series A

During the fiscal year ended June 30, 2005, the Agency issued Tax Allocation Bonds as a result of current low interest rates to save money on debt service, to refund the housing portion of the 1997 bonds of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) prepay the portions of the Agency's 1997 Loans which are payable from low and moderate income housing funds of the Agency, and consequently advance refund the related portions of the 1997 Bonds issued by the Riverside County Public Financing Authority (the "Authority"), (ii) purchase a reserve policy for credit to the Reserve Account for the Bonds; and (iii) pay costs of issuance relating to the Bonds.

The outstanding balance at June 30, 2011 is $15,955,000.

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

2007 TAX ALLOCATION REFUNDING BONDS

During the fiscal year ended June 30, 2007, the Agency issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the 2001 Tax Allocation Bonds of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refund all of the Agency's $90,025,000 2001 Tax Allocation Bonds, (ii) fund projects of benefit to the Agency's Jurupa Valley Redevelopment Project Area; (iii) purchase a reserve policy; and (iv) pay the costs of issuing the bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2011 is $84,600,000.

2010 TAX ALLOCATION HOUSING BONDS - Series A

During the fiscal year ended June 30, 2010, the Agency issued Tax Allocation Bonds for financing low and moderate income housing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) finance low and moderate income housing projects with respect to the Project Areas, (ii) fund a reserve sub-account with the proceeds of the bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2011 is $15,885,000.

The reserve balance requirement at June 30, 2011 is as follows:

	Required	Actual
Reserve Accounts	$ 1,302,079	$ 1,302,186

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

2010 TAX ALLOCATION HOUSING BONDS - Series A-T

During the fiscal year ended June 30, 2010, the Agency issued Tax Allocation Bonds for financing low and moderate income housing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) finance low and moderate income housing projects with respect to the Project Areas, (ii) fund a reserve sub-account with the proceeds of the bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2011 is $50,860,000.

The reserve balance requirement at June 30, 2011 is as follows:

	Required	Actual
Reserve Accounts	$ 4,168,946	$ 4,169,290

2010 TAX ALLOCATION BONDS - Series C

During the fiscal year ended June 30, 2011, the Agency issued Tax Allocation Bonds for financing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) pay the costs of certain low and moderate income housing projects of the Agency with respect to the Agency's redevelopment project areas, (ii) purchase a reserve policy for credit to the Reserve Account for the Bonds; and (iii) pay costs of issuance relating to the Bonds.

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

2010 TAX ALLOCATION BONDS - Series C - Continued

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2011 is $5,645,000.

The reserve balance requirement at June 30, 2011 is as follows:

	Required	Actual
Reserve Accounts	$ 546,944	$ 547,034

2010 TAX ALLOCATION BONDS - Series D

During the fiscal year ended June 30, 2011, the Agency issued Tax Allocation Bonds for financing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) pay the costs of certain low and moderate income housing projects of the Agency with respect to the Agency's redevelopment project areas, (ii) purchase a reserve policy for credit to the Reserve Account for the Bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2011 is $32,415,000.

The reserve balance requirement at June 30, 2011 is as follows:

	Required	Actual
Reserve Accounts	$ 2,363,225	$ 2,363,398

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

2010 TAX ALLOCATION BONDS - Series E

During the fiscal year ended June 30, 2011, the Agency issued Tax Allocation Bonds for financing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) pay the costs of certain low and moderate income housing projects of the Agency with respect to the Agency's redevelopment project areas, (ii) purchase a reserve policy for credit to the Reserve Account for the Bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2011 is $50,520,000.

The reserve balance requirement at June 30, 2011 is as follows:

	Required	Actual
Reserve Accounts	$ 4,984,934	$ 4,985,298

2011 TAX ALLOCATION HOUSING BONDS - Series A

During the fiscal year ended June 30, 2011, the Agency issued Tax Allocation Bonds for financing low and moderate income housing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas. The bonds issued were $6,580,000 as current interest bonds and $7,513,028 as convertible capital appreciation bonds. The total accreted value on the convertible capital appreciation bonds upon maturity will be $17,965,000.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) finance low and moderate income housing projects with respect to the Project Areas, (ii) fund a reserve sub-account with the proceeds of the bonds; and (iii) pay costs of issuance relating to the Bonds.

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

2011 TAX ALLOCATION HOUSING BONDS - Series A - Continued

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2011 is $14,093,028. The un-accreted balance at June 30, 2011 is $10,451,972.

The reserve balance requirement at June 30, 2011 is as follows:

	Required	Actual
Reserve Accounts	$ 1,409,303	$ 1,409,336

2011 TAXABLE TAX ALLOCATION HOUSING BONDS - Series A-T

During the fiscal year ended June 30, 2011, the Agency issued Tax Allocation Bonds for financing low and moderate income housing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) finance low and moderate income housing projects with respect to the Project Areas, (ii) fund a reserve sub-account with the proceeds of the bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2011 is $14,095,000.

The reserve balance requirement at June 30, 2011 is as follows:

	Required	Actual
Reserve Accounts	$ 1,409,500	$ 1,409,533

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

2011 TAX ALLOCATION BONDS - Series B

During the fiscal year ended June 30, 2011, the Agency issued Tax Allocation Bonds for financing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas. The bonds issued were $13,935,000 as current interest bonds, $6,314,967 as capital appreciation bonds and $2,883,033 as convertible capital appreciation bonds. The total accreted value on the capital appreciation bonds and convertible capital appreciation bonds upon maturity will be $76,860,000 and $5,565,000, respectively.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) pay the costs of certain low and moderate income housing projects of the Agency with respect to the Agency's redevelopment project areas, (ii) purchase a reserve policy for credit to the Reserve Account for the Bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2011 is $23,133,000. The un-accreted balance at June 30, 2011 is $73,227,000.

The reserve balance requirement at June 30, 2011 is as follows:

	Required	Actual
Reserve Accounts	$ 2,313,300	$ 2,313,348

2011 TAXABLE TAX ALLOCATION HOUSING BONDS - Series B-T

During the fiscal year ended June 30, 2011, the Agency issued Tax Allocation Bonds for financing low and moderate income housing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) finance low and moderate income housing projects with respect to the Project Areas, (ii) fund a reserve sub-account with the proceeds of the bonds; and (iii) pay costs of issuance relating to the Bonds.

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

2011 TAXABLE TAX ALLOCATION HOUSING BONDS - Series B-T - Continued

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2011 is $11,525,000.

The reserve balance requirement at June 30, 2011 is as follows:

	Required	Actual
Reserve Accounts	$ 1,152,500	$ 1,152,524

2011 SECOND LIEN TAX ALLOCATION BONDS - Series D

During the fiscal year ended June 30, 2011, the Agency issued Tax Allocation Bonds for financing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) pay the costs of certain low and moderate income housing projects of the Agency with respect to the Agency's redevelopment project areas, (ii) purchase a reserve policy for credit to the Reserve Account for the Bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2011 is $6,475,000.

The reserve balance requirement at June 30, 2011 is as follows:

	Required	Actual
Reserve Accounts	$ 532,225	$ 532,236

4) DETAILED NOTES ON ALL FUNDS - Continued

F) Changes in Long-Term Liabilities - Continued

2011 SECOND LIEN TAX ALLOCATION BONDS - Series E

During the fiscal year ended June 30, 2011, the Agency issued Tax Allocation Bonds for financing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas. The bonds issued were $11,220,000 as current interest bonds and $1,359,720 as capital appreciation bonds. The total accreted value on the capital appreciation bonds upon maturity will be $28,800,000.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) pay the costs of certain low and moderate income housing projects of the Agency with respect to the Agency's redevelopment project areas, (ii) purchase a reserve policy for credit to the Reserve Account for the Bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2011 is $12,579,720. The un-accreted balance at June 30, 2011 is $27,440,280.

The reserve balance requirement at June 30, 2011 is as follows:

	Required	Actual
Reserve Accounts	$ 1,192,017	$ 1,192,042

Tax Increment Revenues Pledged

The Agency has pledged a portion of future tax increment revenues and a portion of investment earnings to repay the Agency's long-term debt. The Agency's long-term debt is payable solely from the tax increment and a portion of investment earnings in the Agency's project areas. Total principal and interest remaining on the bonds, loans payable and other debt is $832,532,276 and $761,584,637, payable through fiscal year 2045. For the current year, principal and interest paid by tax increment revenues and investment earnings were $13,624,126 and $35,392,789, respectively.

5) OTHER INFORMATION

A) Risk Management

To account for risks of loss and liability claims, the Agency participates in the County's Risk Management Fund (an internal service fund). Premiums are paid annually by the Agency into the Risk Management Fund via inter-fund transfer. It is the County's responsibility to administer the self-insured programs of insurance and pay all liability claims within the stated limits.

B) Employee Retirement Systems and Pension Plans

The Agency, through the County, is a participant in the Public Employee's Retirement System of the State of California covering all of its permanent employees. The excess, if any, of the actuarially computed value of vested benefits over the amounts available in the pension fund would be a liability of the County and not the Agency.

C) Pass-Through Agreements

In order to lessen the fiscal impact of the tax increment financing of redevelopment projects on other units of local governments, the Agency has entered into pass-through agreements with various governmental agencies to "pass-through" portions of tax increment funds received by the Agency, attributable to the area within the territorial limits of other agencies (see Note 3-C).

D) Commitments and Contingencies

As of the end of the fiscal year, the Agency is not aware of any outstanding litigations that would have a material effect on the financial position of the Agency. Encumbrances outstanding at year end are shown below:

	Encumbrances	
	Capital Projects Funds	Special Revenue Funds
Project Area 1-1986	$ 10,207,407	$ 208,757
Jurupa Valley Project Area	33,806,270	7,224,085
Mid-County Project Area	18,499,793	2,564,602
Desert Communities Project Area	33,700,053	20,837,056
I-215 Corridor Project Area	32,545,622	11,081,546

E) Recent Changes in Legislation Affecting California Redevelopment Agencies

On June 29, 2011, the Governor of the State of California signed Assembly Bills X1 26 and 27 as part of the State's budget package. Assembly Bill X1 26 requires each California redevelopment agency to suspend (effective July 1, 2011) nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency. Assembly Bill X1 27 provides a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. Under this program, each local government would adopt an ordinance agreeing to make certain payments to the County Auditor Controller in fiscal year 2011-12 and annual payments each fiscal year thereafter. Assembly

5) OTHER INFORMATION - Continued

E) Recent Changes in Legislation Affecting California Redevelopment Agencies - Continued

Bill X1 26 indicates that the city, special district or county "may use any available funds not otherwise obligated for other uses" to make this payment. The County of Riverside (the "County") intends to use available monies of its redevelopment agency for this purpose and the County and Agency have approved a reimbursement agreement to accomplish that. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the state legislature.

Assembly Bill X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by Assembly Bill X1 26.

In the event that Assembly Bill X1 26 is upheld, the receivable recognized by funds of the County that had previously loaned or advanced funds to the redevelopment agency would become uncollectible with a loss recognized to the County. Additionally, the County would be impacted by the elimination of reimbursements previously paid to the County by the redevelopment agency for shared administrative services.

The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bills X1 26 and 27 on the grounds that they violate the California Constitution. On August 11, 2011, the California Supreme Court issued a stay of all of Assembly Bill X1 27 and most of Assembly Bill X1 26. The California Supreme Court stated in its order that "the briefing schedule is designed to facilitate oral argument as early as possible in 2011, and a decision before January 15, 2012." A second order issued by the California Supreme Court on August 17, 2011 indicated that certain provisions of Assembly Bills X1 26 and 27 were still in effect and not affected by its previous stay, including requirements to file an appeal of the determination of the community remittance payment by August 15, the requirement to adopt an Enforceable Obligations Payment Schedule ("EOPS") by August 29, 2011, and the requirement to prepare a preliminary draft of the initial Recognized Obligation Payment Schedule ("ROPS") by September 30, 2011.

Because the stay provided by Assembly Bill X1 26 only affects enforcement, each agency must adopt an Enforceable Obligation Payment Schedule and draft Recognized Obligation Payment Schedule prior to September 30, as required by the statute. Enforceable obligations include bonds, loans and payments required by the federal or State government; legally enforceable payments required in connection with agency employees such as pension payments and unemployment payments, judgments or settlements; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the agency that are permitted for purposes set forth in AB1X 26.

On July 26, 2011, County of Riverside Ordinance No. 912 was adopted indicating that the County will comply with the Voluntary Alternative Redevelopment Program in order to permit the continued existence and operation of the agency, in the event Assembly Bills X1 26 and/or 27 are upheld as constitutional. The initial payment by the County is estimated to be $31.5 million with one half due on January 15, 2012 and the other half due May 15, 2012.

5) OTHER INFORMATION - Continued

E) Recent Changes in Legislation Affecting California Redevelopment Agencies - Continued

Thereafter, an estimated $7.47 million will be due annually. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the State Legislature. The semi-annual payments will be due on January 15 and May 15 of each year and would increase or decrease with changes in tax increment. Additionally, an increased amount would be due to schools if any "new debt" is incurred. Assembly Bill X1 27 allows a one-year reprieve on the agency's obligation to contribute 20% of tax increment to the low-and-moderate-income housing fund so as to permit the Agency to assemble sufficient funds to make its initial payments. Failure to make these payments would require agencies to be terminated under the provisions of ABX1 26.

Management believes that the Agency will have sufficient funds to pay its obligations as they become due during the fiscal year ending June 30, 2012 and for a period shortly thereafter. The nature and extent of the operation of redevelopment agencies in the State of California beyond that time frame are dependent upon the outcome of litigation surrounding the actions of the state. In the event that Assembly Bills X1 26 and/or 27 are specifically found by the courts to be unconstitutional, there is a possibility that future legislative acts may create new challenges to redevelopment agencies ability to continue in view of the California State Legislature's declared intent to eliminate redevelopment agencies and to reduce their funding.

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SUPPLEMENTARY INFORMATION

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Redevelopment Agency for the County of Riverside, California
Combining Balance Sheet - Capital Projects Governmental Funds
June 30, 2011

	Project Area 1-1986	Jurupa Valley	MID County	Desert Communities
ASSETS				
Cash and Investments	$ 8,435,429	$ 473,143	$ 268,860	$ 7,579,980
Cash and Investments with Fiscal Agent	21,725,917	53,920,475	16,870,435	32,050,832
Accounts Receivable		588,708	5,000	2,075,400
Due from Other Governments		193	63	2,899
Interest Receivable	58,634	85,563	30,430	24,789
Due from Other Funds				2,499,549
Loan Receivable		14,110,355	871,286	691,106
Land Held for Resale	3,207,178	26,796,281	677,921	19,012,504
TOTAL ASSETS	$ 33,427,158	$ 95,974,718	$ 18,723,995	$ 63,937,059
LIABILITIES				
Accounts Payable	$ 716,572	$ 3,083,028	$ 639,272	$ 1,384,763
Due to Other Governments		568,041		
Due to Other Funds	173	1,568,849	1,000,237	
TOTAL LIABILITIES	716,745	5,219,918	1,639,509	1,384,763
FUND BALANCES				
Nonspendable:				
Loans Receivable		14,110,355	871,286	691,106
Land Held for Resale	3,207,178	26,796,281	677,291	19,012,504
Committed:				
Construction Projects	2,569,596	33,274,621	15,535,909	32,484,381
Assigned:				
Construction Projects	26,933,639	16,573,543		10,364,305
TOTAL FUND BALANCES	32,710,413	90,754,800	17,084,486	62,552,296
TOTAL LIABILITIES AND FUND BALANCES	$ 33,427,158	$ 95,974,718	$ 18,723,995	$ 63,937,059

I-215 Corridor	Total
$ 476,537	$ 17,233,949
65,753,965	190,321,624
150	2,669,258
	3,155
66,052	265,468
2,170	2,501,719
1,969,626	17,642,373
4,719,129	54,413,013
$ 72,987,629	$ 285,050,559
$ 4,480,199	$ 10,303,834
	568,041
55,817	2,625,076
4,536,016	13,496,951
1,969,626	17,642,373
4,719,129	54,412,383
31,752,802	115,617,309
30,010,056	83,881,543
68,451,613	271,553,608
$ 72,987,629	$ 285,050,559

Redevelopment Agency for the County of Riverside, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Governmental Funds
Year Ended June 30, 2011

	Project Area 1-1986	Jurupa Valley	MID County	Desert Communities
REVENUES				
Tax Increment	$	$	$	$
Investment Income	166,317	263,843	89,326	698,908
Other Income	53,745	5,154,196	11,851	2,979,485
TOTAL REVENUES	220,062	5,418,039	101,177	3,678,393
EXPENDITURES				
Current:				
Administrative Costs	1,396,040	6,103,913	668,329	2,604,511
Professional Services	61,807	117,431	26,416	82,839
Project Improvement Costs	3,156,535	29,217,935	4,280,536	26,023,504
Other Expenditures		8,629	4,430	251,850
Debt Service:				
Long-term Obligation Principal Payments			2,000,000	
TOTAL EXPENDITURES	4,614,382	35,447,908	6,979,711	28,962,704
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,394,320)	(30,029,869)	(6,878,534)	(25,284,311)
OTHER FINANCING SOURCES (USES)				
Transfers Out			(247,485)	(1,258,574)
Issuance of Long-term Debt		30,132,419	4,704,546	34,914,390
NET CHANGE IN FUND BALANCES	(4,394,320)	102,550	(2,421,473)	8,371,505
FUND BALANCES - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	37,104,733	98,280,680	19,505,959	53,716,054
PRIOR PERIOD ADJUSTMENT		(7,628,430)		464,737
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	37,104,733	90,652,250	19,505,959	54,180,791
FUND BALANCES - END OF YEAR	$ 32,710,413	$ 90,754,800	$ 17,084,486	$ 62,552,296

I-215 Corridor	Total
$	$
563,095	1,781,489
865,690	9,064,967
1,428,785	10,846,456
2,567,874	13,340,667
72,584	361,077
30,021,732	92,700,242
162,577	427,486
13,000,000	15,000,000
45,824,767	121,829,472
(44,395,982)	(110,983,016)
(2,256,325)	(3,762,384)
55,218,539	124,969,894
8,566,232	10,224,494
59,740,286	268,347,712
145,095	(7,018,598)
59,885,381	261,329,114
$ 68,451,613	$ 271,553,608

Redevelopment Agency for the County of Riverside, California
Combining Balance Sheet - Debt Service Governmental Funds
June 30, 2011

	Project Area 1-1986	Jurupa Valley	MID County	Desert Communities
ASSETS				
Cash and Investments	$ 4,885,013	$ 2,070,560	$ 4,381,143	$ 13,082,479
Cash and Investments with Fiscal Agent	4,363,591	7,736,430	2,219,932	5,622,719
Accounts Receivable	17,152	107,959	58,205	59,901
Interest Receivable	11,836	3,522	6,834	13,269
TOTAL ASSETS	$ 9,277,592	$ 9,918,471	$ 6,666,114	$ 18,778,368
LIABILITIES				
Accounts Payable	$ 25,901	$ 19,812	$ 1,919	$ 102
Due to Other Funds	2,126	17,588	2,487	4,672
TOTAL LIABILITIES	28,027	37,400	4,406	4,774
FUND BALANCES				
Restricted:				
Debt Service	4,146,576	7,000,545	2,091,009	4,970,775
Committed:				
Debt Service	66,433	504,834	24,974	115,165
Assigned:				
Debt Service	5,036,556	2,375,692	4,545,725	13,687,654
TOTAL FUND BALANCES	9,249,565	9,881,071	6,661,708	18,773,594
TOTAL LIABILITIES AND FUND BALANCES	$ 9,277,592	$ 9,918,471	$ 6,666,114	$ 18,778,368

I-215 Corridor	Total
$ 15,503,646	$ 39,922,841
11,450,245	31,392,917
58,742	301,959
25,518	60,979
$ 27,038,151	$ 71,678,696
$ 4,571	$ 52,305
10,210	37,083
14,781	89,388
10,942,440	29,151,345
494,847	1,206,253
15,586,083	41,231,710
27,023,370	71,589,308
$ 27,038,151	$ 71,678,696

Redevelopment Agency for the County of Riverside, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Debt Service Governmental Funds
Year Ended June 30, 2011

	Project Area 1-1986	Jurupa Valley	MID County	Desert Communities
REVENUES				
Tax Increment	$ 6,830,711	$ 26,869,242	$ 4,984,189	$ 18,276,652
Investment Income	35,327	3,515	27,829	57,883
TOTAL REVENUES	6,866,038	26,872,757	5,012,018	18,334,535
EXPENDITURES				
Current:				
Other Expenditures	1,370,287	7,421,559	1,897,087	6,394,413
State ERAF	746,231	2,401,468	345,472	1,500,800
Debt Service:				
Long-term Obligation Principal Payments	1,426,692	5,306,996	717,162	2,466,099
Interest and Fiscal Charges	4,115,798	13,356,394	2,230,271	8,562,086
Debt Issuance Costs	59,137	1,684,940	391,202	1,250,536
TOTAL EXPENDITURES	7,718,145	30,171,357	5,581,194	20,173,934
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(852,107)	(3,298,600)	(569,176)	(1,839,399)
OTHER FINANCING SOURCES (USES)				
Transfers In	856,417	3,796,177	1,062,225	3,157,055
Issuance of Long-term Debt	224,190	6,949,902	992,862	4,672,439
NET CHANGE IN FUND BALANCES	228,500	7,447,479	1,485,911	5,990,095
FUND BALANCES - BEGINNING OF YEAR	9,021,065	2,433,592	5,175,797	12,783,499
FUND BALANCES - END OF YEAR	$ 9,249,565	$ 9,881,071	$ 6,661,708	$ 18,773,594

I-215 Corridor	Total
$ 14,464,769	$ 71,425,563
101,362	225,916
14,566,131	71,651,479
3,536,078	20,619,424
728,224	5,722,195
2,894,091	12,811,040
7,143,853	35,408,402
1,825,969	5,211,784
16,128,215	79,772,845
(1,562,084)	(8,121,366)
3,667,744	12,539,618
8,419,450	21,258,843
10,525,110	25,677,095
16,498,260	45,912,213
$ 27,023,370	$ 71,589,308

Redevelopment Agency for the County of Riverside, California
Combining Balance Sheet - Special Revenue Governmental Funds
June 30, 2011

	Project Area 1-1986	Jurupa Valley	MID County	Desert Communities
ASSETS				
Cash and Investments	$ 8,395,814	$ 12,429,992	$ 186,033	$ 7,280,309
Cash and Investments with Fiscal Agent	7,044,320	34,383,896	748,552	596,915
Accounts Receivable			3,200	951
Interest Receivable	11,216	27,747	4,166	23,259
Due from Other Funds	2,126	12,175,094	2,487	4,672
Loan Receivable	3,688,593	14,414,489	2,783,316	21,546,960
Land Held for Resale		20,969,750	5,186,887	10,740,207
TOTAL ASSETS	$ 19,142,069	$ 94,400,968	$ 8,914,641	$ 40,193,273
LIABILITIES				
Accounts Payable	$ 5,436	$ 316,258	$ 41,220	$ 163,846
Due to Other Governments		193		
Due to Other Funds	8,701		5,992,881	6,016,061
TOTAL LIABILITIES	14,137	316,451	6,034,101	6,179,907
FUND BALANCES				
Nonspendable:				
Loans Receivable	3,688,593	14,414,489	2,783,316	21,546,960
Land Held for Resale		20,969,750	5,186,887	10,740,207
Restricted:				
Low and Moderate Housing	15,439,339	58,700,278		1,726,199
Unassigned			(5,089,663)	
TOTAL FUND BALANCES	19,127,932	94,084,517	2,880,540	34,013,366
TOTAL LIABILITIES AND FUND BALANCES	$ 19,142,069	$ 94,400,968	$ 8,914,641	$ 40,193,273

I-215 Corridor	Total
$ 12,789,107	$ 41,081,255
23,095,935	65,869,618
	4,151
24,174	90,562
10,210	12,194,589
1,923,486	44,356,844
1,260,077	38,156,921
$ 39,102,989	$ 201,753,940
$ 13,912	$ 540,672
	193
16,506	12,034,149
30,418	12,575,014
1,923,486	44,356,844
1,260,077	38,156,921
35,889,008	111,754,824
	(5,089,663)
39,072,571	189,178,926
$ 39,102,989	$ 201,753,940

Redevelopment Agency for the County of Riverside, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Governmental Funds
Year Ended June 30, 2011

	Project Area 1-1986	Jurupa Valley	MID County	Desert Communities
REVENUES				
Tax Increment	$ 1,707,702	$ 6,717,383	$ 1,246,060	$ 4,569,219
Investment Income	49,848	90,067	6,440	62,217
Other Income		488,581	114,520	49,424
TOTAL REVENUES	1,757,550	7,296,031	1,367,020	4,680,860
EXPENDITURES				
Current:				
Administrative Costs	363,243	1,205,778	195,244	769,591
Professional Services	5,474	25,587	6,881	23,166
Project Improvement Costs	54,524	1,507,564	1,689,699	2,958,237
Other Expenditures	18,574	77,680	11,944	49,311
TOTAL EXPENDITURES	441,815	2,816,609	1,903,768	3,800,305
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,315,735	4,479,422	(536,748)	880,555
OTHER FINANCING SOURCES (USES)				
Transfers Out	(856,417)	(3,796,177)	(814,740)	(1,898,481)
Issuance of Long-term Debt	1,371,252	15,026,888	308,398	4,261,445
NET CHANGE IN FUND BALANCES	1,830,570	15,710,133	(1,043,090)	3,243,519
FUND BALANCES - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	17,250,362	77,494,389	3,923,630	30,886,317
PRIOR PERIOD ADJUSTMENT	47,000	879,995		(116,470)
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	17,297,362	78,374,384	3,923,630	30,769,847
FUND BALANCES - END OF YEAR	$ 19,127,932	$ 94,084,517	$ 2,880,540	$ 34,013,366

I-215 Corridor	Total
$ 3,616,388	$ 17,856,752
91,141	299,713
2,509	655,034
3,710,038	18,811,499
644,936	3,178,792
11,314	72,422
248,409	6,458,433
39,161	196,670
943,820	9,906,317
2,766,218	8,905,182
(1,411,419)	(8,777,234)
3,284,028	24,252,011
4,638,827	24,379,959
34,000,192	163,554,890
433,552	1,244,077
34,433,744	164,798,967
$ 39,072,571	$ 189,178,926

Redevelopment Agency for the County of Riverside, California
Computation of Low and Moderate Housing Excess / Surplus Funds
June 30, 2011

June 30, 2010 - Balance Sheet

Assets		
Cash and Investments	$ 41,750,338	
Cash and Investments with Fiscal Agent	57,433,104	
Interest Receivable	41,845	
Due from Other Funds	9,061,888	
Loans Receivable	38,518,294	
Land Held for Resale	29,082,402	
Total Assets		$ 175,887,871
Liabilities		
Accounts Payable	$ 658,246	
Due to Other Governments	2,647,635	
Due to Other Funds	9,027,100	
Total Liabilities		$ 12,332,981
Fund Equity		
Reserved for Encumbrances	$ 22,913,333	
Reserved for Receivables	38,518,294	
Reserved for Land Held for Resale	29,082,402	
Unreserved - Designated for Specific Capital Projects and Programs	88,241,943	
Unreserved - Undesignated	(15,201,082)	
		$ 163,554,890

Set Aside Amounts	
2007	$ 15,800,796
2008	$ 19,951,140
2009	$ 20,088,192
2010	$ 19,865,696

Redevelopment Agency for the County of Riverside, California
Computation of Low and Moderate Housing Excess / Surplus Funds - Continued
June 30, 2011

		Low and Moderate Housing Funds - All Project Areas July 1, 2010
Opening Fund Balance - July 1, 2010		$ 163,554,890
Less Unavailable Amounts:		
Unspent Bond Proceeds	$ (57,433,104)	
Encumbrances [Section 33334.12 (g)(2)]	(22,913,333)	
Loans Receivable	(38,518,294)	
Land Held for Resale	(29,082,402)	
		(147,947,133)
Available Low and Moderate Income Housing Funds		$ 15,607,757
Limitation (greater of $1,000,000 or four years set-aside)		
Set-Aside for last four years:		
2010	$ 19,865,696	
2009	20,088,192	
2008	19,951,140	
2007	15,800,796	
Total	$ 75,705,824	
Base Limitation	$ 1,000,000	
Greater amount		$ 75,705,824
Computed Excess/Surplus - July 1, 2010		**NONE**

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TRS TEAMAN, RAMIREZ & SMITH, INC.
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Redevelopment Agency for the County of Riverside
Riverside, California

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Compliance

We have audited the Redevelopment Agency for the County of Riverside's (the "Agency") compliance with the California Health and Safety Code as required by Section 33080.1 for the year ended June 30, 2011. Compliance with the requirements referred to above is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Guidelines for Compliance Audits of California Redevelopment Agencies, June 2011*, issued by the State Controller and as interpreted in the *Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies, August 2011*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Agency has occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Agency's compliance with those requirements. In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that are applicable for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with the *Guidelines for Compliance Audits of California Redevelopment Agencies, June 2011*, and which is described in the accompanying Schedule of Findings and Responses, as item 2011-1.

Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the Agency's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A material weakness internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Responses, as item 2011-1, that we consider to be a significant deficiency in internal control over compliance. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Agency's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the Agency's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, others within the Agency, State Controller's Office, Division of Accounting and Reporting and is not intended to be and should not be used by anyone other than these specified parties.

Teaman Ramirez & Smith, Inc.

November 22, 2011

Redevelopment Agency for the County of Riverside, California
Schedule of Findings and Responses
Year Ended June 30, 2011

(2011-1)
Filing of the Fiscal Year 2010 Annual Report

Finding:

Under Health and Safety Code Section 33080.1 requires each redevelopment agency to file an annual report with its legislative body within six months of the end of the Agency's fiscal year. The annual report includes the following:

a) Financial Statement Audit;

b) Fiscal Statement for the previous fiscal year;

c) A description of the Agency's activities in the previous fiscal year affecting housing and displacement;

d) A description of the Agency's progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year;

e) A list of, and status report on all loans $50,000 or more, that in the previous fiscal year were in default or not in compliance with the terms of the loan;

f) A description of the total number and nature of the properties that the Agency owns and those properties the Agency has acquired in the previous fiscal year;

g) A list of the fiscal years that the Agency expects specified time limits of the plans to expire;

h) Any Other Information that the Agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.

The Agency did submit the above reports for the fiscal year 2010 within six months to the Board of Directors, except for item b, the Fiscal Statement.

Recommendation:

We recommend that the Agency prepare and submit the Fiscal Statement to the Board of Directors along with the FY 2011 annual report described under Health and Safety Code Section 33080.1.

Response:

The Fiscal Statement was not prepared. While the information was available and may be included with other information given to the legislative body, such as in the State Controller's Annual Report, it was not presented as a cohesive whole report. The Fiscal Statement will be submitted to the Board of Directors with the other reports required under Health and Safety Code Section 33080.1 within the prescribed time period for FY 2011.

TRS TEAMAN, RAMIREZ & SMITH, INC.
CERTIFIED PUBLIC ACCOUNTANTS

November 22, 2011

Board of Directors
Redevelopment Agency for the
County of Riverside
County of Riverside, CA

We have audited the financial statements of the governmental activities and each major fund of the Redevelopment Agency for the County of Riverside (the "Agency") for the year ended June 30, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 8, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Agency changed accounting policies related to accounting and financial reporting of fund balance classifications and derivative instruments by adopting Statements of Governmental Accounting Standards (GASB Statement) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 59, Financial Instruments Omnibus, in 2011. GASB Statement No. 54 required certain disclosures on the governmental fund type definitions as reflected in Note 1 of the financial statements and changes to the governmental fund financial statements. GASB Statement No. 59 currently has no impact on the Agency's financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the property and equipment depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Owner Participant Agreements in long-term liabilities is based on agreements with third parties. These agreements have specific requirements which could change the current estimate by management. We evaluated the key factors and assumptions used to develop the Owner Participant Agreements liability in determining that it is reasonable in relation to the financial statements as a whole.

Richard A. Teaman, CPA • Greg W. Fankhanel, CPA • David M. Ramirez, CPA • Javier H. Carrillo, CPA
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Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Note 4A to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of capital assets in Note 4E to the financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of Owner Participant Agreements long-term debt in Note 4F to the financial statements represents management's estimate and could differ depending on future events.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 21, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During the 2011 fiscal year, the Governor and State Legislature of California indicated several changes to Redevelopment Agencies were imminent and one such change might be the elimination of these agencies. In response, many Redevelopment Agencies in California began planning, financing and structuring debt to issue before the passage of legislation that would affect their activities. The Redevelopment Agency for the County of Riverside (the "Agency) issued several debt issues in response to the above situation as well as other Redevelopment Agencies across the State of California. The Agency issued three series of tax allocation bonds that included *Capital Appreciation and Convertible Capital Appreciation Bonds* to obtain the maximum amount of debt proceeds before the end of the 2011 fiscal year. Due to the deferral of interest payments, these *Capital Appreciation Bonds* required higher interest rates, which range from 8.8% to 9.75%, and future debt service payments that are well above the amount of debt proceeds received. These *Capital Appreciation Bonds* will defer debt service payments for many years with compounding interest. When we add only the *Capital Appreciation Bonds* portion of these three issues, the total proceeds equal $18,070,748. The total debt service payments for these issues will be $129,190,000 which is 7.15 times the original proceeds. The Agency for these particular debt issuances will make debt service payments that are significantly over the amounts received for redevelopment projects. Also, it is our understanding that the *Capital Appreciation Bonds* are non-callable and are not eligible for refunding (refinancing) but, according to the official statements, the *Convertible Capital Appreciation Bonds* are subject to optional redemption prior to their maturity. Due to the high debt service cost in comparison to current interest bonds, we felt we should emphasize these transactions.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquires of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Directors and management of the Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Teaman Ramirez & Smith, Inc.