

**REDEVELOPMENT AGENCY BUDGET SUMMARY**  
**June 29, 2010**

The following is a summary of the Redevelopment Agency's Summary for Fiscal Year 2011.

**Redevelopment Agency Fund 111**

The Redevelopment Agency's General Fund is the Agency's general operating fund. The primary source of funding for the General Fund is 80% of the tax increment revenues received with the other 20% going towards affordable housing activities. Total tax increment revenue for Fiscal Year 2011 (including both the Redevelopment and Housing portions) is projected to decrease by 1% over Fiscal Year 2010 of \$20,291,941 to \$20,089,000, based on slight declines in the project area's real estate market. Total revenue to Fund 111 for Fiscal Year 2011 is estimated at \$16,259,000 and is comprised of the following: tax increment (after 20% has been set aside for affordable housing in accordance with state law) estimated to decline by approximately 1% to \$16,071,200; interest income of \$160,000; rental income of \$22,800; and, loan program income of \$5,000.

After accounting for operating expenses of approximately \$1,689,651, debt service of \$7,513,384, special project expenses of \$695,100 (shuttle bus contract, hazardous waste studies and mitigation, Cultural Arts District Promotion, and property management, etc.), and an appropriated operating reserve of \$80,000 there will be positive revenues vs. expenditures balance of approximately \$6,280,865. The State budget for Fiscal Year 2010 was passed in late July 2009 and included another taking of redevelopment funds in the form of a Educational Revenue Augmentation Fund, or ERAF, totaling over \$2.05 billion statewide over the next two years. The Agency's 2011 ERAF obligation has been set at approximately \$1,404,000. In addition, the Agency is required to set aside \$440,000 for debt service arbitrage in Fiscal Year 2011. After accounting for the ERAF obligation (\$1,404,000) and Arbitrage (\$440,000), there will be approximately \$4,436,865) available for projects and programs.

**Capital Projects Fund 311**

The Capital Projects Fund accounts for redevelopment capital projects and is principally funded from revenues from Fund 111 that are moved over to project accounts in Fund 311 when budgeted. The fund currently includes 15 project accounts that total approximately \$12,411,650 and includes: IPM Sustainable Park Improvements (one of two accounts), Underground Storage Tank Abatement, East Cabrillo Sidewalks - Phase II, Chase Palm Park Lighting and Electrical Upgrades, Plaza Del Mar and Pershing Park Restroom Renovations, Police Department Locker Room Upgrade, Property Opportunity Acquisition Account; RDA Project Contingency Account, Affordable Housing Contingency

Account, 125 State Street Soil Remediation, and the Carrillo Recreation Center Restoration Project (one of three accounts). On May 5, 2010, the Agency Board directed staff to include four capital projects to the RDA Capital Program. These projects include: The Downtown Parking Structures Improvement Project (Structures #9 and #10) at \$2,250,000; The Lower West Downtown Street Lighting Project at \$750,000; the Cabrillo Pavilion Arts Center Assessment Study at \$250,000; and the State Street Pedestrian Amenities Pilot Project at \$50,000.

### **RDA - Housing Program Fund 112**

The RDA - Housing Program Fund is used for the operating expenses of the Agency's Housing Program and to fund the construction and rehabilitation of affordable housing. Total revenue to Fund 112 is estimated at \$4,277,800 and is comprised of the following: tax increment of \$4,017,800; interest income of \$60,000; and loan program income of \$200,000.

After accounting for operating expenses of \$885,217, debt service on the St. Vincent's housing bond of \$637,895, and an appropriated operating reserve of \$80,000, there will be approximately \$2,674,688 in new funds available for appropriation to affordable housing projects.

### **Federal HOME Loan Program Fund 162**

The City receives an annual allocation of federal HOME Program funds. In Fiscal Year 2011, staff estimates that the City will receive \$864,061 from the annual allocation. Ten percent of the total amount may be used for administrative expenses, and the remaining 90% must be loaned or granted to affordable housing projects targeted to very-low and low income renters. In accordance with federal regulations, up to \$86,406 of salary and benefit expenses for Housing and Redevelopment Division Staff will be paid from HOME funds.

In addition to the new HOME funds, we have budgeted \$3,000 in program income from prepayments of prior HOME loans. There will be approximately \$780,600 available in new HOME funds for loans and grants.