

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Redevelopment Agency Annual Report
DATE: January 6, 2004

NEED:

For the Council to consider adopting a resolution accepting the Redevelopment Agency Annual Report for fiscal year 2003.

FACTS:

1. California Redevelopment Law requires that the Agency Board present to the City Council an annual report.
2. The annual report must contain the following four components:
 - a. An independent financial audit for the previous fiscal year.
 - b. A fiscal statement for the previous fiscal year that contains the information required pursuant to Section 33080.5.
 - c. A description of the Agency's activities affecting housing and displacement pursuant to Section 33080.4.
 - d. Any other information that the Agency believes useful to explain its program and activities.
3. The Agency uses the State Controller's Annual Report of Redevelopment Financial Transactions to satisfy the requirements of 2.b above. This report is prepared by staff and must be submitted to the State Controller's Office within 180 days of year end (12/31).
4. The State Controller's Annual Report of Redevelopment Financial Transactions has been submitted to the State Controller's Office in accordance within the established deadline.
5. The Agency uses schedules HCD-A through C to describe the Agency's activities relating to housing activities.
6. While not required, it is the City's practice to present the Annual Report to PAC for their review and comment before submitting to Agency Board and City Council.

7. Annual report was presented to PAC on December 17, 2003 who recommended that it be forwarded to Agency and Council for adoption.

ANALYSIS AND CONCLUSIONS:

It is expected that a 'clean' opinion letter will be received from the auditors, Moss, Levy & Hartzheim that will note the general purpose financial statements fairly presented all material aspects of the results of operations in conformity with generally accepted accounting principals. At the time this report was prepared the opinion letter has not yet been released.

It would appear that the Agency has finally "turned the corner" and will now be able to begin repaying the debt obligation for the construction of the library. The debt service fund ended the fiscal year with approximately \$157,000 in cash resources against which there are not obligations. There was also property tax receivable in the amount of the \$43,000 that was received shortly after the close of the fiscal year. Additionally, one of the two larger façade loans (there are only five remaining) was repaid in full.

With regard to Agency's 20% low and moderate income housing operations (LMI Fund), the ending fund balance was \$928,700 and a cash balance of \$916,568. Agency commitments relative to the LMI Fund are identified as follows:

FY 03/04 Housing Programs Administration	(136,300)
Canyon Creek Assistance (remainder)	(300,000)
Creekside Gardens Assistance remaining assistance	(6,100)
CalHome Loan Admin Assistance	(15,600)
Fee Offset to Oak Park Senior Housing	<u>(520,000)</u>
Total Commitments	<u>\$<u>(978,000)</u></u>

It is estimated that the Agency will receive an additional \$332,000 in LMI revenues during fiscal year 2004.

Formal debt as of June 30, 2003 is identified as follows:

1. 1996 Paso Robles Redevelopment Refunding Tax Allocation Bonds due in annual installments ranging from \$70,000 to \$255,000 through January 1, 2022, interest ranging from 4.5% to 5.6%; balance outstanding @ 6/30/02 \$3,085,000.
2. 2000 Paso Robles Redevelopment Tax Allocation Bonds due in annual installments ranging from \$20,000 to \$485,000 through January 1, 2028, interest ranging from 4.0% to 5.25%; balance outstanding @ 6/30/02 \$3,870,000.

FISCAL
IMPACT:

None. Informational only.

OPTIONS:

- a.** Adopt Resolution No. 04-xx accepting the annual report for the fiscal year ended June 30, 2003; or
- b.** Amend, modify or reject any of the options above.

RESOLUTION NO. 04-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
ACCEPTING THE REDEVELOPMENT AGENCY ANNUAL REPORT
FOR FISCAL YEAR 2003

WHEREAS, California Redevelopment Law requires that a Redevelopment Agency Board approve an annual report pursuant to the requirements of the California Health and Safety Code; and

WHEREAS, California Redevelopment Law further requires that the approved annual report be presented to the City Council.

BE IT RESOLVED that the Redevelopment Agency Annual Report for the fiscal year 2002 attached herewith as Exhibit "A" is accepted by the City Council of the City of El Paso de Robles.

PASSED AND ADOPTED by the Redevelopment Agency Board of the City of El Paso de Robles this 6th day of January 2004 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

Attest:

Sharilyn M. Ryan, Deputy City Clerk