

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Redevelopment Agency Annual Report
DATE: January 7, 2003

NEED:

For the Agency to consider adopting a resolution approving the Redevelopment Agency Annual Report for fiscal year 2002.

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. The Annual Report was presented to the Agency's Project Area Committee on December 18th. They recommended acceptance of the annual report as presented.

ANALYSIS AND CONCLUSIONS:

The Agency received a 'clean' opinion letter from the auditors, Moss, Levy & Hartzheim, which noted that the general purpose financial statements fairly presented all material aspects of the results of operations in conformity with generally accepted accounting principals.

With regard to Agency's 20% low and moderate income housing operations (LMI Fund), the ending fund balance was \$928,403 of which \$12,093 was reserved and a cash balance of \$890,911. However, \$76,277 of the cash balance was temporally transferred to the Agency debt service fund to cover its negative cash position at 6/30/02 leaving a reportable cash balance of \$814,634 (the transfer was reversed 7/1/02 based upon anticipated tax increment revenues to be collected in FY 2003). The Agency has made commitments relative to the LMI Fund and they are identified as follows:

FY 02/03 Housing Programs Administration	(112,900)
Canyon Creek Assistance	(300,000)
Creekside Gardens Assistance remaining assistance	(200,000)
CalHome Loan Admin Assistance	(15,600)
Assistance to Oak Park Senior Housing	(14,600)

In the debt service fund, the aggregate total fund balance, after adjustment for re-statement of debt into the long-term debt account group, was a positive \$930,281 representing the reserve for debt service.

Formal debt as of June 30, 2002 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 \$3,170,000.
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 \$3,890,000.

FISCAL IMPACT:

None. Informational only.

OPTIONS:

- a. Adopt Resolution No. RA 03-xx approving the Redevelopment Agency Annual Report; and that the City Council adopt Resolution No. 03-xx accepting the Redevelopment Agency Annual Report; or
- b. Amend, modify or reject any of the options above.

RESOLUTION NO. RA 03-

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF PASO ROBLES
ADOPTING THE REDEVELOPMENT AGENCY ANNUAL REPORT
FOR FISCAL YEAR 2002

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 approved.

PASSED AND ADOPTED by the Redevelopment Agency Board of the City of El Paso de Robles this 7th day of January 2003 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

George P. Finigan, Chairman

ATTEST:

James L. App, Secretary