

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Redevelopment Agency Annual Report
DATE: January 17, 2006

NEED:

For the Council to receive and accept the Redevelopment Agency Annual Report for fiscal year 2005.

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 H.S. Section 33080.5.
 - c. A description of the Agency's activities affecting housing and displacement pursuant to H.S. 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 January 11, 2006.

ANALYSIS AND
CONCLUSIONS:

The final audit has not been issued by the City's auditors. Attached is the draft audit report. It is not expected that any changes will occur and the draft will be published as the "final" report.

The debt service ended the fiscal year with cash and investments of \$196,318 and property tax receivables of \$186,644. The cash resources will be transferred to the City Hall Facility Development Fund per the reimbursement agreement between the City and Agency after 7/1/2005.

Formal debt as of June 30, 2005 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 @ 6/30/05 \$2,900,000.
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 @ 6/30/04 \$3,745,000.

With regard to Agency's 20% low and moderate income housing operations (LMI Fund), the ending fund balance was \$1,060,943 of which \$266,650 was reserved for long-term loan receivables. The cash balance was \$794,293.

The long-term receivables are made up of a home loan of \$3,500 and \$263,150 for the Cal Home Loan Program. Commitments of the LMI Fund include the following:

FY 05/06 Housing Programs Administration	\$ 93,000
Canyon Creek Development Assistance	268,000
CalHome Loan Admin Assistance	20,000
Fee Offset to Oak Park Senior Housing	<u>520,000</u>
Total Commitments	<u>\$901,000</u>

It is estimated that the Agency will receive an additional \$440,900 in LMI revenues during fiscal year 2006.

FISCAL
IMPACT:

None. Informational only.

OPTIONS:

- a.** The Council receive and file the annual report for the fiscal year ended June 30, 2005; or
- b.** Amend, modify or reject any of the options above.

**EL PASO DE ROBLES
REDEVELOPMENT AGENCY**

ANNUAL REPORT

FOR THE

FISCAL YEAR ENDING JUNE 30, 2005

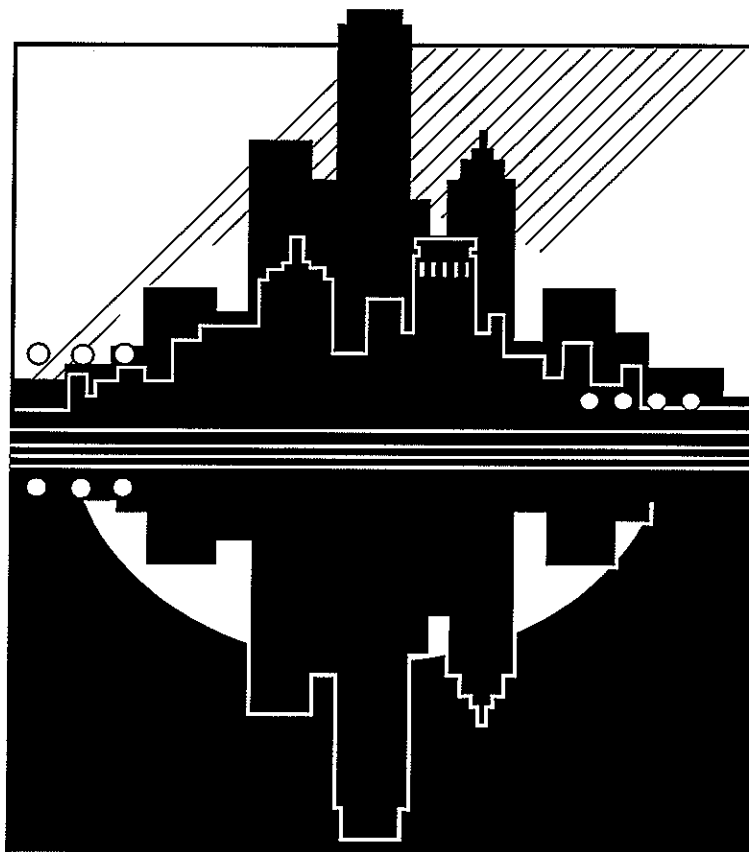


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**State Controller's Annual Report
of
Financial Transactions**

El Paso De Robles Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

General Information

Fiscal Year **2006**

Members of the Governing Body			
	Last Name	First Name	Middle Initial
Chairperson	Nemeth	Gary	
Member	Picanco	Duane	
Member	Mecham	Frank	
Member	Strong	Fred	
Member	Heggarty	Jim	
Member			
Member			
Member			
Member			
Member			

Mailing Address

Street 1 1000 Spring Street

Street 2

City Paso Robles State CA Zip 93446-2599

Phone (805) 237-3999 Is Address Changed?

Agency Officials				
	Last Name	First Name	Middle Initial	Phone
Executive Director	App	James	L	(805) 237-3888
Fiscal Officer	Compton	Michael	J	(805) 237-3999
Secretary	App	James	L	(805) 237-3888

Report Prepared By

Independent Auditor

Firm Name Moss, Levy & Hartzheim

Last Levy

First Ronald

Middle Initial A

Street 802 East Main Street

City Santa Maria

State CA

Zip Code 93454

Phone (805) 925-2579

**El Paso De Robles Redevelopment Agency
Redevelopment Agencies Financial Transactions Report**

Achievement Information (Unaudited)

Fiscal Year 2005

Indicate Only Those Achievements Completed During the Fiscal Year of this Report as a Direct Result of the Activities of the Redevelopment Agency.

Please provide a description of the agency's activities/accomplishments during the past year.

(Please be specific, as this information will be the basis for possible inclusion in the publication.)

Activity Report

Community Development Block Grant Program:

During FY 05 the Federal Department of Housing and Urban Development (HUD) approved a \$390,464 CDBG program for the City (CDBG Program Year 2004). Authorized activities included:
 \$88,024 to supplement 2001, 2002, 2003 CDBG funds rehabilitate the Municipal Pool's Changing Room building; \$32,131 to rehabilitate the Municipal Pool's Therapy Pool building; \$93,739 for a Seismic Mitigation Program to make grants to owners of unreinforced masonry buildings to reimburse them for the costs of structural engineering analyses and seismic retrofit construction plans; \$48,220 to install an LED-lighted in-roadway crosswalk system at 34th and Spring Streets; \$20,000 to operate a motel voucher program for the homeless; \$5,000 to operate an after-school program for teens; \$1,700 to operate a health screening program for low income women; \$4,000 to operate a health screening program for low income seniors; \$3,000 to operate a teen pregnancy program; \$4,000 to operate a drug and alcohol counseling program; \$2,000 to operate a literacy program; \$3,000 to operate a mentoring program for "at-risk" children; \$3,000 to operate a visitation for shut-in seniors program; \$4,650 to operate a food distribution (to very low income persons) program; and \$78,000 for grant administration and "capacity building" activities.
 With the exception of the locations of some of the homeless and other public services programs, all of the CDBG-funded activities are located within the Redevelopment Project Area. "Capacity building" activities included staff time for a variety of activities that support development and preservation of affordable housing throughout the City.

Commercial Development

Achievement Information (Unaudited)

	Square Footage Completed	
	New Construction	Rehabilitated
Commercial Buildings	<input type="text"/>	<input type="text"/>
Industrial Buildings	<input type="text"/>	<input type="text"/>
Public Buildings	<input type="text"/>	<input type="text"/>
Other Buildings	<input type="text"/>	<input type="text"/>
Total Square Footage	0	0

Enter the amount of square footage completed this year by building type and segregated by new or rehabilitated construction.

Enter the Number of Jobs Created from the Activities of the Agency

Types Completed

A=Utilities B=Recreation C=Landscaping D=Sewer/ Storm E=Streets/ Roads
F=Bus/Transit

**El Paso De Robles Redevelopment Agency
Redevelopment Agencies Financial Transactions Report**

Achievement Information (Unaudited)

None in FY 05

Public Infrastructure

13th Street Bridge Expansion: In FY 05, construction continued on an expansion of the 13th Street Bridge to add two vehicle lanes, bike lanes, a second pedestrian path, and improvements to approaching roadways. This project is presently the most critical transportation system improvement in the Project Area and in the City. This bridge forms the primary link between the downtown core and the East Side of the City. The cost of this program is about \$20 million, of which \$750,000 comes from state grant funds, and \$19.25 million to come from a variety of local funds including Measure D98 funds and development fees. No redevelopment funds will be used for this project.

Housing-Related Activities

Canyon Creek Apartments: In FY 05 Peoples' Self-Help Housing Corp (PSHHC) continued construction of 68 apartment units for low income families at the southwest corner of Nicklaus Drive and Oak Hills Road. This project is being assisted with a loan of \$300,000 in LMIH funds and a grant of \$250,000 in federal HOME funds. The primary financing is federal tax credits.

Creekside Gardens Senior Apartments: In FY 05, PSHHC completed construction of 29 apartment units for low income seniors at the northwest corner of Nicklaus Drive and Oak Hills Road. This project was assisted with a grant of \$635,000 in LMIH funds and a grant of \$225,000 in federal HOME funds. The primary financing is a grant of \$2.28 million in federal Section 202 Funds from the US Department of Housing and Urban Development for this project.

Oak Park Senior Housing: In FY 05, the Paso Robles Nonprofit Housing Corp. Solicited bids for construction of a 40 unit apartment building for low income seniors. The lowest bid exceeded the project's budget, but PRNPHC elected to work with the lowest bidder to reduce costs, which will include redesigning the building to have wood framing (instead of steel). The Redevelopment Agency has committed a total of \$545,000 in LMIH funds to assist this project (\$25,000 for preliminary architectural plans and environmental studies and \$520,000 to offset City development fees).

Housing Element of the General Plan: In December 2004, the City adopted an updated Housing Element, which has been determined by the State Department of Housing and Community Development to be in conformance with State Housing Element Law. **Redevelopment Implementation Plan:** In December 2004, the City adopted an updated Redevelopment Implementation Plan, which sets priorities for us of LMIH funds for the five year period 2005-2009.

**El Paso De Robles Redevelopment Agency
 Redevelopment Agencies Financial Transactions Report**

Audit Information

Fiscal Year 2005

Was the Report Prepared from Audited Financial Data, and Did You Submit a Copy of the Audit?

Yes

Indicate Financial Audit Opinion

Unqualified

If Financial Audit is not yet Completed, What is the Expected Completion Date?

If the Audit Opinion was Other than Unqualified, State Briefly the Reason Given

Was a Compliance Audit Performed in Accordance with Health and Safety Code Section 33080.1 and the State Controller's Guidelines for Compliance Audits, and Did You Submit a Copy of the Audit?

Yes

Indicate Compliance Audit Opinion

Unqualified

If Compliance Audit is not yet Completed, What is the Expected Completion Date?

If compliance opinion includes exceptions, state the areas of non-compliance, and describe the agency's efforts to correct.

**El Paso De Robles Redevelopment Agency
 Redevelopment Agencies Financial Transactions Report**

Project Area Report

Fiscal Year 2005

Project Area Name

El Paso Robles Project Area

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Activity Report

Canyon Creek Apartments:
 Continued construction of 68 apartment units for low income families.

Creekside Gardens Senior Apartments:
 Completed construction of 29 apartment units for low income seniors.

Oak Park Senior Housing:
 The Redevelopment Agency has committed a total of \$545,000 in LMIH funds to assist in this project to construct a 40 unit apartment building for low income seniors.

Forwarded from Prior Year ?	<input type="checkbox"/>	Yes
Enter Code for Type of Project Area Report	<input type="checkbox"/>	P
P = Standard Project Area Report L = Low and Moderate Income Housing Fund O = Other Miscellaneous Funds or Programs A = Administrative Fund M = Mortgage Revenue Bond Program S = Proposed (Survey) Project Area		
Does the Plan Include Tax Increment Provisions?	<input type="checkbox"/>	Yes
Date Project Area was Established (MM-DD-YY)	<input type="text"/>	11/1/1987
Most Recent Date Project Area was Amended	<input type="text"/>	
Did this Amendment Add New Territory?	<input type="text"/>	
Most Recent Date Project Area was Merged	<input type="text"/>	
Will this Project Area be Carried Forward to Next Year?	<input type="checkbox"/>	Yes
Established Time Limit :		
Repayment of Indebtedness (Year Only)	<input type="text"/>	2037
Effectiveness of Plan (Year Only)	<input type="text"/>	2027
New Indebtedness (Year Only)	<input type="text"/>	2007
Size of Project Area in Acres	<input type="text"/>	1,036
Percentage of Land Vacant at the Inception of the Project Area Health and Safety Code Section 33320.1 (xx.x%)	<input type="text"/>	29.0
Percentage of Land Developed at the Inception of the Project Area Health and Safety Code Section 33320.1 (xx.x%)	<input type="text"/>	71.0
Objectives of the Project Area as Set Forth in the Project Area Plan (Enter the Appropriate Code(s) in Sequence as Shown)	<input type="text"/>	RICP

R = Residential I = Industrial C = Commercial P = Public O = Other

El Paso De Robles Redevelopment Agency
Redevelopment Agencies Financial Transactions Report

Assessed Valuation Data

Fiscal Year **2005**

Project Area Name	El Paso Robles Project Area
Frozen Base Assessed Valuation	138,124,069
Increment Assessed Valuation	204,067,056
Total Assessed Valuation	342,191,125

**El Paso De Robles Redevelopment Agency
 Redevelopment Agencies Financial Transactions Report**

Pass-Through / School District Assistance

Fiscal Year 2005

Project Area Name El Paso Robles Project Area

Amounts Paid To Taxing Agencies Pursuant To:	Tax Increment Pass Through Detail	Other Payments
H & S Code Section 33401	H & S Code Section 33676	H & S Code Section 33445
H & S Code Section 33446.6	H & S Code Section 33607	H & S Code Section 33446.6

	414,637			\$414,637	
County					
Cities				\$0	
School Districts	61,974	196,566		\$258,540	
Community College Districts	36,423	26,378		\$62,801	
Special Districts		32,701		\$32,701	
Total Paid to Taxing Agencies	\$513,034	\$255,645	\$0	\$768,679	\$0

Net Amount to Agency				\$1,556,735
Gross Tax Increment Generated				2,325,414

El Paso De Robles Redevelopment Agency
Redevelopment Agencies Financial Transactions Report

Summary of the Statement of Indebtedness - Project Area

Fiscal Year	Project Area Name	El Paso Robles Project Area
2005		
	Tax Allocation Bond Debt	11,420,701
	Revenue Bonds	
	Other Long Term Debt	
	City/County Debt	
	Low and Moderate Income Housing Fund	36,489,551
	Other	71,561,546
	Total	\$119,471,798
	Available Revenues	3,016,983
	Net Tax Increment Requirements	\$116,454,815

El Paso De Robles Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text" value="Yes"/>
Bond Type	Tax Allocation Bonds
Year of Authorization	1996
Principal Amount Authorized	3,630,000
Principal Amount Issued	3,630,000
Purpose of Issue	Project Funding
Maturity Date Beginning Year	1996
Maturity Date Ending Year	2021
Principal Amount Unmatured Beginning of Fiscal Year	\$2,995,000
Adjustment Made During Year	<input type="text"/>
Adjustment Explanation	<input type="text"/>
Interest Added to Principal	<input type="text"/>
Principal Amount Issued During Fiscal Year	<input type="text"/>
Principal Amount Matured During Fiscal Year	95,000
Principal Amount Defeased During Fiscal Year	<input type="text"/>
Principal Amount Unmatured End of Fiscal Year	\$2,900,000
Principal Amount in Default	<input type="text"/>
Interest in Default	<input type="text"/>

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

**El Paso De Robles Redevelopment Agency
 Redevelopment Agencies Financial Transactions Report**

Statement of Income and Expenditures - Revenues

Fiscal Year 2005
Project Area Name El Paso Robles Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross <i>(Include All Apportionments)</i>		2,325,414			\$2,325,414
Special Supplemental Subvention					\$0
Property Assessments					\$0
Sales and Use Tax					\$0
Transient Occupancy Tax					\$0
Interest Income		14,688	9,976		\$24,664
Rental Income					\$0
Lease Income					\$0
Sale of Real Estate					\$0
Gain on Land Held for Resale					\$0
Federal Grants					\$0
Grants from Other Agencies					\$0
Bond Administrative Fees					\$0
Other Revenues		58,010			\$58,010
Total Revenues	\$0	\$2,398,112	\$9,976	\$0	\$2,408,088

El Paso De Robles Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year

2005

Project Area Name

El Paso Robles Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Administration Costs					\$0
Professional Services					\$0
Planning, Survey, and Design					\$0
Real Estate Purchases					\$0
Acquisition Expense					\$0
Operation of Acquired Property					\$0
Relocation Costs					\$0
Relocation Payments					\$0
Site Clearance Costs					\$0
Project Improvement / Construction Costs					\$0
Disposal Costs					\$0
Loss on Disposition of Land Held for Resale					\$0

**El Paso De Robles Redevelopment Agency
 Redevelopment Agencies Financial Transactions Report**

Statement of Income and Expenditures - Expenditures

Fiscal Year 2005 **Project Area Name** El Paso Robles Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					\$0
Rehabilitation Costs					\$0
Rehabilitation Grants					\$0
Interest Expense		352,940			\$352,940
Fixed Asset Acquisitions					\$0
Subsidies to Low and Moderate Income Housing			2,640		\$2,640
Debt Issuance Costs					\$0
Other Expenditures Including Pass-Through Payment(s)	144,441	628,580			\$773,021
Debt Principal Payments:					
Tax Allocation Bonds and Notes		160,000			\$160,000
Revenue Bonds, Certificates of Participation, Financing Authority Bonds					\$0
City/County Advances and Loans					\$0
All Other Long-Term Debt					\$0
Total Expenditures	\$144,441	\$1,141,520	\$2,640	\$0	\$1,288,601
Excess (Deficiency) Revenues over (under) Expenditures	(\$144,441)	\$1,256,592	\$7,336	\$0	\$1,119,487

El Paso De Robles Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year	Project Area Name	El Paso Robles Project Area					Total
		Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other		
2005							
	Proceeds of Long-Term Debt						\$0
	Proceeds of Refunding Bonds						\$0
	Payment to Refunded Bond Escrow Agent						\$0
	Advances from City/County						\$0
	Sale of Fixed Assets						\$0
	Miscellaneous Financing Sources (Uses)	144,441	-420,302				(\$275,861)
	Operating Transfers In						\$0
	Tax Increment Transfers In			365,771			\$365,771
	Operating Transfers Out						\$0
	Tax Increment Transfers Out		365,771				\$365,771
	<i>(To the Low and Moderate Income Housing Fund)</i>						
	Total Other Financing Sources (Uses)	\$144,441	(\$786,073)	\$365,771	\$0		(\$275,861)

El Paso De Robles Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year 2005 **Project Area Name** El Paso Robles Project Area

Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
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\$0	\$470,519	\$373,107	\$0	\$843,626
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Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses

Equity, Beginning of Period	\$42,090	\$1,060,869	\$737,302	\$0	\$1,840,261
Prior Period Adjustments			-49,466		(\$49,466)
Residual Equity Transfers					\$0

Other(Specify)	A	B	C	D	E	Refresh
Total						

Other Total

Equity, End of Period	\$42,090	\$1,531,388	\$1,060,943	\$0	\$2,634,421
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El Paso De Robles Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Balance Sheet - Assets and Other Debits

Fiscal Year	2005	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Assets and Other Debits								
Cash and Imprest Cash			196,318	794,293				\$990,611
Cash with Fiscal Agent			853,997					\$853,997
Tax Increments Receivable								\$0
Accounts Receivable			186,644					\$186,644
Accrued Interest Receivable								\$0
Loans Receivable	42,090			266,650				\$308,740
Contracts Receivable								\$0
Lease Payments Receivable								\$0
Unearned Finance Charge								\$0
Due from Capital Projects Fund								\$0
Due from Debt Service Fund								\$0
Due from Low/Moderate Income Housing Fund								\$0
Due from Special Revenue/Other Funds								\$0

**El Paso De Robles Redevelopment Agency
Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Assets and Other Debits

Fiscal Year	2005	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Investments								\$0
Other Assets			334,535					\$334,535
Investments: Land Held for Resale								\$0
Allowance for Decline in Value of Land Held for Resale								\$0
Fixed Assets: Land, Structures, and Improvements							1,871,238	\$1,871,238
Equipment								\$0
Amount Available in Debt Service Fund						6,645,000		\$6,645,000
Amount to be Provided for Payment of Long-Term Debt								\$0
Total Assets and Other Debits		\$42,090	\$1,571,494	\$1,060,943	\$0	\$6,645,000	\$1,871,238	\$11,190,765

(Must Equal Total Liabilities, Other Credits, and Equities)

El Paso De Robles Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Balance Sheet - Liabilities and Other Credits

Fiscal Year	2005	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Liabilities and Other Credits								
Accounts Payable			40,106					\$40,106
Interest Payable								\$0
Tax Anticipation Notes Payable								\$0
Loans Payable								\$0
Other Liabilities								\$0
Due to Capital Projects Fund								\$0
Due to Debt Service Fund								\$0
Due to Low/Moderate Income Housing Fund								\$0
Due to Special Revenue/Other Funds								\$0
Tax Allocation Bonds Payable						6,645,000		\$6,645,000
Lease Revenue, Certificates of Participation Payable, Financing Authority Bonds								\$0
All Other Long-Term Debt								\$0
Total Liabilities and Other Credits		\$0	\$40,106	\$0	\$0	\$6,645,000		\$6,685,106

**El Paso De Robles Redevelopment Agency
 Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Liabilities and Other Credits

Fiscal Year	2005	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long- Term Debt	General Fixed Assets	Total
Equities								
Investment In General Fixed Assets							1,871,238	\$1,871,238
Fund Balance Reserved	42,090	1,531,388	266,650					\$1,840,128
Fund Balance Unreserved-Designated			794,293					\$794,293
Fund Balance Unreserved- Undesignated								\$0
Total Equities	\$42,090	\$1,531,388	\$1,060,943	\$0			\$1,871,238	\$4,505,659
Total Liabilities, Other Credits, and Equities	\$42,090	\$1,571,494	\$1,060,943	\$0	\$6,645,000		\$1,871,238	\$11,190,765

El Paso De Robles Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Summary, Combined Transfers In/Out

Fiscal Year	2005
Operating Transfers In	\$0
Tax Increment Transfers In	\$365,771
Operating Transfers Out	\$0
Tax Increment Transfers Out	\$365,771

**Annual Report of Housing Activity
of
Community Redevelopment Agencies**

HCD REPORT OF REDEVELOPMENT AGENCY HOUSING ACTIVITY FOR
FY ENDING: 06/30/05

Agency Name and Address:
Paso Robles Redevelopment Agency
1000 Spring Street
Paso Robles, CA 93446

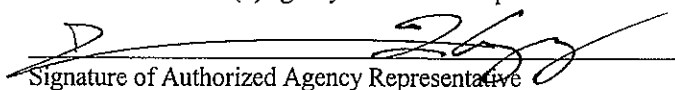
County of Jurisdiction:
San Luis Obispo

Health & Safety Code Section 33080.1 requires agencies to annually report on their Low & Moderate Income Housing Fund and housing activities for the Department of Housing and Community Development (HCD) to report on agencies' activities in accordance with Section 33080.6. Section 33080.3 specifies agencies must send this form, HCD Schedules, and an Audit report to the State Controller

Please answer each question below. Your answers determine which HCD SCHEDULES must be completed in order for the agency to fulfill the statutory requirement to report LMIHF housing activity and fund balances for the reporting period.

1. Check one of the items below to identify the Agency's status at the end of the reporting period:
 New (Agency formation occurred during reporting year. No financial transactions were completed).
 Active (Financial and/or housing transactions occurred during the reporting year)
 Inactive (No financial and/or housing transactions occurred during the reporting year). ONLY COMPLETE ITEM 7
 Dismantled (Agency adopted an ordinance to dissolve itself). ONLY COMPLETE ITEM 7
2. How many adopted project areas did the agency have during the reporting period? 1
How many project areas were merged during the reporting period? 0
If the agency has one or more adopted project areas, complete SCHEDULE HCD-A for each project area.
If the agency has no adopted project areas, DO NOT complete SCHEDULE HCD-A.
3. Within an area outside of any adopted redevelopment project area(s): (a) did the agency destroy or remove any dwelling units or displace any households over the reporting period, (b) does the agency intend to displace any households over the next reporting period, (c) did the agency permit the sale of any owner-occupied unit prior to the expiration of land use controls over the reporting period, and/or (d) did the agency execute a contract or agreement for the construction of any affordable units over the next two years?
 Yes (any question). Complete SCHEDULE HCD-B.
 No (all questions). DO NOT complete SCHEDULE HCD-B.
4. Did the agency have any funds in the Low & Moderate Income Housing Fund during the reporting period?
 Yes. Complete SCHEDULE HCD-C.
 No. DO NOT complete SCHEDULE HCD-C.
5. During the reporting period, were housing units completed within a project area and/or assisted by the agency outside a project area?
 Yes. Complete all applicable HCD SCHEDULES D1-D7 for each housing project completed and HCD SCHEDULE E.
 No. DO NOT complete HCD SCHEDULES D1-D7 or HCD SCHEDULE E.
6. Indicate whether HCD financial and housing activity information has been reported using method A and/or B checked below:
 A. Forms. All required HCD SCHEDULES A, B, C, D1-D7, and E are attached.
 B. On-line (<http://www.hcd.ca.gov/rda/>) "Lock Report" date: 12/29/05. HCD SCHEDULES not required.
(lock date is shown under "Admin" Area and "Report Change History")
7. To the best of my knowledge: (a) the representations made above and (b) agency information reported are correct.

12/30/05
Date


Signature of Authorized Agency Representative
James L. App, Secretary, Paso Robles Redevelopment Agency
Title
(805) 237-3888
Telephone Number

- IF NOT REQUIRED TO REPORT, SUBMIT ONLY A PAPER COPY OF THIS PAGE.
- IF REQUIRED TO REPORT, AND REPORTING BY USING PAPER COPY SCHEDULES, SUBMIT THIS PAGE AND ALL APPLICABLE HCD FORMS (SCHEDULES A-E)
- IF REPORTING ON-LINE, PROOF OF ELECTRONIC REPORTING IS "CONFIRMATION LETTER" UPON LOCKING REPORT
- BOTH PAPER COPY REPORTING AND ON-LINE REPORTING REQUIRE A COPY OF THE AUDIT REPORT BE SENT TO:

THE STATE CONTROLLER
Division of Accounting and Reporting
Local Government Reporting Section
3301 C Street, Suite 500 - Sacramento, CA 95816

California Redevelopment Agencies-Fiscal Year 2004/2005
 Project Area Contributions to Low and Moderate Income Housing Funds
 Sch A Project Area Summary Report
 EL PASO ROBES RDA

Project Area	100% of Tax Increment	20% Set Aside Requirement	Tax Increment Allocated	Amount Exempted	Deferral	Tax Incr. Deposited to Hsng Fund	Percent of Tax Incr Dep	Repayment Deferrals	Other Income	Total Deposited to Housing
PASO ROBLES PROJECT	\$2,081,954	\$416,391	\$416,391	\$0	\$0	\$416,391	20.00%	\$0	\$9,976	\$426,367
Agency Totals:	\$2,081,954	\$416,391	\$416,391	\$0	\$0	\$416,391	20.00%	\$0	\$9,976	\$426,367

Note: Print this report in Landscape Orientation (Use the Print Icon just above, then Properties then Landscape)

California Redevelopment Agencies - Fiscal Year 2004/2005
 Status of Low and Moderate Income Housing Funds
 Sch C Agency Financial Summary
 EL PASO ROBES RDA

Adjusted Beginning Balance	Project Area Receipts	Agency Other Revenue	Total Expenses	Net Resources Available	Other Housing Fund Assets	Total Housing Fund Assets	Encumbrances	* Unencumbered Balance	Unencumbered Designated	Unencumbered Not Designated
\$737,302	\$426,367	\$0	\$102,726	\$1,060,943	\$0	\$1,060,943	\$0	\$1,060,943	\$0	\$1,060,943

Expenses	Housing Construction	Planning and Administration Costs	Subsidies	Total
2004/2005	\$2,640	\$98,386	\$1,700	\$102,726

*The Unencumbered Balance is equal to Net Resources Available minus Encumbrances

Note: Print this report in Landscape Orientation (Use the Print Icon just above, then Properties then Landscape)

California Redevelopment Agencies - Fiscal Year 2004/2005
 Status of Low and Moderate Income Housing Funds
 Sch C Agency Financial and Program Detail
 EL PASO ROBES RDA

	Beginning Balance	\$737,302
	Adjustment to Beginning Balance	\$0
	Adjusted Beginning Balance	\$737,302
Total Tax Increment From PA(s) \$416,391	Total Receipts from PA(s)	\$426,367
	Other Revenues not reported on Schedule A	\$0
	Sum of Beginning Balance and Revenues	\$1,163,669

Expenditure	<u>Item</u>	<u>Subitem</u>	<u>Amount</u>	<u>Remark</u>
Housing Construction				
	No Information Provided		\$2,640	
		Subtotal of Housing Construction	\$2,640	
 Planning and Administration Costs				
	Administration Costs		\$98,386	
		Subtotal of Planning and Administration Costs	\$98,386	
 Subsidies from the LMIHF				
	1st Time Homebuyer Down Payment Assistance		\$1,700	
		Subtotal of Subsidies from the LMIHF	\$1,700	
		Total Expenditures	\$102,726	

Net Resources Available \$1,060,943

Indebtedness For Setasides Deferred \$0

Other Housing Fund Assets		
<u>Category</u>	<u>Amount</u>	<u>Remark</u>
		Total Other Housing Fund Assets

Total Fund Equity \$1,060,943

2000/2001	\$211250
2001/2002	\$260488

California Redevelopment Agencies - Fiscal Year 2004/2005
 Status of Low and Moderate Income Housing Funds
 Sch C Agency Financial and Program Detail
 EL PASO ROBES RDA

2002/2003	\$299993	sum of 4 Previous Years'	Prior Year Ending	Excess Surplus for
2003/2004	\$350203	Tax Increment for 2004/2005	Unencumbered Balance	2004/2005
		\$1121934	\$357,679	\$0

Sum of Current and 3 Previous Years' Tax Increments	\$1,327,075
Adjusted Balance	\$1,060,943
Excess Surplus for next year	\$0
Net Resources Available	\$1,060,943
Unencumbered Designated	\$0
Unencumbered Undesignated	\$1,060,943
Total Encumbrances	\$0
Unencumbered Balance	\$1,060,943
Unencumbered Balance Adjusted for Debt Proceeds	\$0
Unencumbered Balance Adjusted for Land Sales	\$0
Excess Surplus Expenditure Plan	No
Excess Surplus Plan Adoption Date	

Site Improvement Activities Benefiting Households

<u>Income Level</u>	<u>Low</u>	<u>Very Low</u>	<u>Moderate</u>	<u>Total</u>
Construction	0	0	0	0
Rehabilitation	0	0	0	0
Health and Safety Hazard	0	0	0	0

Land Held for Future Development

<u>Site Name</u>	<u>Num Of Acres</u>	<u>Zoning</u>	<u>Purchase Date</u>	<u>Estimated Start Date</u>	<u>Remark</u>
------------------	---------------------	---------------	----------------------	-----------------------------	---------------

Use of the Housing Fund to Assist Mortgagees

Income Adjustment Factor	<input type="text"/>	Requirements Completed	<input type="text"/>
Home	\$ <input type="text"/>	Hope	\$ <input type="text"/>

Non Housing Redevelopment Funds Usage \$750,000 in HOME funds for Creekside Gardens; \$550,000 in HOME funds for Canyon Creek Apartments; \$700,000 in HOME funds for Oak Park Senior Housing; \$498,900 in federal Economic Development Initiative Funds for Oak Park Senior Housing;

California Redevelopment Agencies - Fiscal Year 2004/2005
 Status of Low and Moderate Income Housing Funds
 Sch C Agency Financial and Program Detail
 EL PASO ROBES RDA

Resource Needs

LMIHF Deposits/Withdrawals

<u>Document Name</u>	<u>Document Date</u>	<u>Custodian Name</u>	<u>Custodian Phone</u>	<u>Copy Source</u>
General Ledger	30-JUN-05	Michael J. Compton	(805) 237-3999	1000 Spring Street, Paso Robles, CA 93446

Achievements

Description

Project Type: New construction to rent
 Agency Name: Paso Robles Redevelopment Agency
 Agency Contact: Ed Gallagher: (805) 237-3970; ed@prcity.com

Please see attached word document for a more user-friendly copy.

Description

Project Name: Creekside Gardens Apartments
 Location: 401 Oak Hill Road, Paso Robles, CA
 Developer: Peoples? Self-Help Housing Corp., of San Luis Obispo
 Clientele Served: Very low income (50% of area median income) seniors (62 years or older) *

* Degree of Affordability - Through the creative mix of financing sources Creekside Gardens is able to serve senior households at extremely low income levels (i.e. well below the 50% of area median income threshold). The HUD Section 202 financing includes rental assistance for all 29 units, allowing residents to pay only 30% of their actual incomes in rent and utilities,

Creekside Gardens Apartments consists of 29 one-bedroom rental units, all in one-story cottage-style duplex buildings arranged in a ring around central parking, community building, and common open space. The developed portion of the project is about 2.5 acres; the entire site is about 7 acres. The non-developed portion of the site is an oak woodland traversed by a seasonal creek. A bicycle and pedestrian path runs adjacent to the creek. The project was developed to protect the oaks and to take advantage of the woodlands as a buffer and amenity to the site.

A supermarket, drug store, Wal-Mart, three banks, and a wide variety of retail stores are within one quarter mile of the project. The project's immediate neighbors are a 68 unit low income family apartment project (under construction), a new 36 unit co-housing development (attached single family units), and an approved 28 unit market rate condominium project.

A variety of enrichment services are provided to the residents including health services, van service, financial advising, and cultural programs. All of these services are designed enhance the quality of life and to allow the residents of Creekside Gardens to live independently as long as possible.

Financial profile:

PROJECT COSTS AMOUNT

Land acquisition, holding costs, taxes & escrow 463,950
 Architecture, engineering, survey 125,722
 Off-site Improvements 372,428
 Construction and on-site improvements 2,549,752
 Construction contingency 137,745
 Construction loan interest & fees 0
 Other soft costs, fees & insurance 400,030

California Redevelopment Agencies - Fiscal Year 2004/2005
Status of Low and Moderate Income Housing Funds
Sch C Agency Financial and Program Detail
EL PASO ROBES RDA

Achievements

Description

City fees 392,873
TOTAL \$4,442,500

SOURCES OF FUNDS AMOUNT

HUD Section 202 Loan 2,873,500
Federal HOME (County of San Luis Obispo) Loan 750,000
Redevelopment LMIH (City of Paso Robles) Grant 635,000
Federal Home Loan Bank AHP Loan 174,000
WAMU Grant 10,000
TOTAL \$ 4,442,500

History

Peoples? Self-Help Housing Corp. approached the City of Paso Robles and its Redevelopment Agency in October 2000, requesting \$435,000 in Low and Moderate Income Housing (LMIH) Funds to purchase property for the project. At that time, the estimated cost of the project was \$3.1 million. In January 2001, the Redevelopment Agency approved a loan of \$435,000 in LMIH funds contingent upon obtaining a zoning entitlement and building permit. The loan would be structured to be forgiven upon issuance of a building permit.

In 2002, City staff provided assistance in preparing environmental documentation for HOME funds and in guiding the preparation of development plans that would conform to City policies. An application for development plan (zoning entitlement) was submitted to the City on February 15, 2002 and approved by the City's Planning Commission on July 9, 2002.

In December 2002, Peoples? Self-Help Housing Corp. again approached the Redevelopment Agency for an additional grant of \$200,000 to assist with increases City development fees. The new request was approved and the additional funds awarded on December 17, 2002.

A building permit was applied for on August 9, 2002 and issued on April 30, 2003. A Certificate of Occupancy was issued in March 2005.

The project is located in an area of new development and did not encounter any neighborhood opposition. The buildable area of the site was a knoll top that had to be lowered in grade while protecting oaks at the edge of the graded area. Oak Hill Road, which serves the site, had to be completely built in front of the site. That entailed substantial grading, which involved grading for a low income family apartment site, also being developed by Peoples? Self-Help Housing Corp., across Oak Hill Road. The amount of grading for the site and the road contributed to a relatively long construction period (i.e., nearly 2 years).

Agency Role

The Paso Robles Redevelopment Agency provided a total of \$635,000 in LMIH funds to assist in the financing for this project. City staff provided in-kind assistance in reviewing conceptual development plans, preparing the NEPA (federal environmental) document for the HOME funds, and in tasks related to securing LMIH, HOME, and Section 202 financing.

The project advanced the City's objectives and policies, as stated in the Housing Element, of providing affordable housing for very low income persons, for seniors, and for dispersing low income housing throughout the community. (The project is not located in an area that has previously had any housing that was affordable to low and very-low income households.)

California Redevelopment Agencies - Fiscal Year 2004/2005
 Sch D General Project Information
 EL PASO ROBES RDA

Project Area Name: PASO ROBLES PROJECT

Project Name: New Duplex Units						
Address: 2232 Oak Street and 3018 Spring Street Paso Robles 93446						
NON ASSISTED PROJECT UNITS -----						
<u>Category</u>	<u>vlow</u>	<u>low</u>	<u>mod</u>	<u>amod</u>	<u>Building Permit Number</u>	<u>Building Permit Date</u>
New Constructions	0	0	0	4	B04-0304	09-FEB-05
					B04-0468	01-APR-05

Project Name: New Single Family Units						
Address: 2024 and 3614 Vine Street Paso Robles 93446						
NON ASSISTED PROJECT UNITS -----						
<u>Category</u>	<u>vlow</u>	<u>low</u>	<u>mod</u>	<u>amod</u>	<u>Building Permit Number</u>	<u>Building Permit Date</u>
New Constructions	0	0	0	2	B03-1054	26-OCT-04
					B03-1034	18-OCT-05

Project Name: Rehab						
Address: 2120 Vine Street and 2015 Oak Street Paso Robles 93446						
NON ASSISTED PROJECT UNITS -----						
<u>Category</u>	<u>vlow</u>	<u>low</u>	<u>mod</u>	<u>amod</u>	<u>Building Permit Number</u>	<u>Building Permit Date</u>
Substantial Rehabil	0	0	0	2	B03-0318	15-APR-05
					B03-0843	13-DEC-04

SCHEDULE HCD E
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
 (This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2004/2005

Agency: EL PASO ROBES RDA

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I [H & SC Section 33413(b)(1)] AGENCY DEVELOPED	
1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for <u>Very-Low</u> Income Units (line 4 x 50%)	0
PART II [H & SC Section 33413(b)(2)] NON-AGENCY DEVELOPED UNITS	
6. New Units	6
7. Substantially Rehabilitated Units	2
8. Subtotal - Baseline of Units (add lines 6 & 7)	8
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	1
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0
PART III TOTALS	
11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	1
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
 (This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2004/2005

Agency: EL PASO ROBES RDA

Project Area: PASO ROBLES PROJECT

Project: NEW DUPLEX UNITS

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I
 [H & SC Section 33413(b)(1)]
AGENCY DEVELOPED

1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for <u>Very-Low</u> Income Units (line 4 x 50%)	0

PART II
 [H & SC Section 33413(b)(2)]
NON-AGENCY DEVELOPED UNITS

6. New Units	4
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	4
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	1
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0

PART III
TOTALS

11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	1
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

**SCHEDULE HCD E1
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)**

Report Year: 2004/2005

Agency: EL PASO ROBES RDA

Project Area: PASO ROBLES PROJECT

Project: NEW SINGLE FAMILY UNITS

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I [H & SC Section 33413(b)(1)] AGENCY DEVELOPED	
1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for <u>Very-Low</u> Income Units (line 4 x 50%)	0
PART II [H & SC Section 33413(b)(2)] NON-AGENCY DEVELOPED UNITS	
6. New Units	2
7. Substantially Rehabilitated Units	0
8. Subtotal - Baseline of Units (add lines 6 & 7)	2
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0
PART III TOTALS	
11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

**SCHEDULE HCD E1
 CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
 (This Form is Information Only: Actual Obligation is based on Implementation Plan)**

Report Year: 2004/2005

Agency: EL PASO ROBES RDA

Project Area: PASO ROBLES PROJECT

Project: REHAB

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

**PART I
 [H & SC Section 33413(b)(1)]
 AGENCY DEVELOPED**

1. New Units	0
2. Substantially Rehabilitated Units	0
3. Subtotal - Baseline of Units (add line 1 & 2)	0
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	0
5. Subtotal of Inclusionary Obligation Accrued this year for <u>Very-Low</u> Income Units (line 4 x 50%)	0

**PART II
 [H & SC Section 33413(b)(2)]
 NON-AGENCY DEVELOPED UNITS**

6. New Units	0
7. Substantially Rehabilitated Units	2
8. Subtotal - Baseline of Units (add lines 6 & 7)	2
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	0
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	0

**PART III
 TOTALS**

11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	0
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	0

Creekside Gardens Apartments

Project Type: New construction to rent
 Agency Name: Paso Robles Redevelopment Agency
 Agency Contact: Ed Gallagher: (805) 237-3970; ed@prcity.com

Description

Project Name: Creekside Gardens Apartments
 Location: 401 Oak Hill Road, Paso Robles, CA
 Developer: Peoples' Self-Help Housing Corp., of San Luis Obispo
 Clientele Served: Very low income (50% of area median income) seniors (62 years or older) *

- * Degree of Affordability - Through the creative mix of financing sources Creekside Gardens is able to serve senior households at extremely low income levels (i.e. well below the 50% of area median income threshold). The HUD Section 202 financing includes rental assistance for all 29 units, allowing residents to pay only 30% of their actual incomes in rent and utilities,

Creekside Gardens Apartments consists of 29 one-bedroom rental units, all in one-story cottage-style duplex buildings arranged in a ring around central parking, community building, and common open space. The developed portion of the project is about 2.5 acres; the entire site is about 7 acres. The non-developed portion of the site is an oak woodland traversed by a seasonal creek. A bicycle and pedestrian path runs adjacent to the creek. The project was developed to protect the oaks and to take advantage of the woodlands as a buffer and amenity to the site.

A supermarket, drug store, Wal-Mart, three banks, and a wide variety of retail stores are within one quarter mile of the project. The project's immediate neighbors are a 68 unit low income family apartment project (under construction), a new 36 unit co-housing development (attached single family units), and an approved 28 unit market rate condominium project.

A variety of enrichment services are provided to the residents including health services, van service, financial advising, and cultural programs. All of these services are designed enhance the quality of life and to allow the residents of Creekside Gardens to live independently as long as possible.

Financial profile:

PROJECT COSTS	AMOUNT
Land acquisition, holding costs, taxes & escrow	463,950
Architecture, engineering, survey	125,722
Off-site Improvements	372,428
Construction and on-site improvements	2,549,752
Construction contingency	137,745
Construction loan interest & fees	0
Other soft costs, fees & insurance	400,030
City fees	392,873
TOTAL	\$4,442,500
SOURCES OF FUNDS	AMOUNT
HUD Section 202 Loan	2,873,500
Federal HOME (County of San Luis Obispo) Loan	750,000
Redevelopment LMIH (City of Paso Robles) Grant	635,000
Federal Home Loan Bank AHP Loan	174,000
WAMU Grant	10,000
TOTAL	\$ 4,442,500

History

Peoples' Self-Help Housing Corp. approached the City of Paso Robles and its Redevelopment Agency in October 2000, requesting \$435,000 in Low and Moderate Income Housing (LMIH) Funds to purchase property for the project. At that time, the estimated cost of the project was \$3.1 million. In January 2001, the Redevelopment Agency approved a loan of \$435,000 in LMIH funds contingent upon obtaining a zoning entitlement and building permit. The loan would be structured to be forgiven upon issuance of a building permit.

In 2002, City staff provided assistance in preparing environmental documentation for HOME funds and in guiding the preparation of development plans that would conform to City policies. An application for development plan (zoning entitlement) was submitted to the City on February 15, 2002 and approved by the City's Planning Commission on July 9, 2002.

In December 2002, Peoples' Self-Help Housing Corp. again approached the Redevelopment Agency for an additional grant of \$200,000 to assist with increases City development fees. The new request was approved and the additional funds awarded on December 17, 2002.

A building permit was applied for on August 9, 2002 and issued on April 30, 2003. A Certificate of Occupancy was issued in March 2005.

The project is located in an area of new development and did not encounter any neighborhood opposition. The buildable area of the site was a knoll top that had to be lowered in grade while protecting oaks at the edge of the graded area. Oak Hill Road, which serves the site, had to be completely built in front of the site. That entailed substantial grading, which involved grading for a low income family apartment site, also being developed by Peoples' Self-Help Housing Corp., across Oak Hill Road. The amount of grading for the site and the road contributed to a relatively long construction period (i.e., nearly 2 years).

Agency Role

The Paso Robles Redevelopment Agency provided a total of \$635,000 in LMIH funds to assist in the financing for this project. City staff provided in-kind assistance in reviewing conceptual development plans, preparing the NEPA (federal environmental) document for the HOME funds, and in tasks related to securing LMIH, HOME, and Section 202 financing.

The project advanced the City's objectives and policies, as stated in the Housing Element, of providing affordable housing for very low income persons, for seniors, and for dispersing low income housing throughout the community. (The project is not located in an area that has previously had any housing that was affordable to low and very-low income households.)

**Statement of Accomplishments
and
Activities**

2004/2005 REDEVELOPMENT ANNUAL REPORT

ACCOMPLISHMENTS AND ACTIVITIES

During the Fiscal Year 2004/2005, the Redevelopment Agency of the City of Paso Robles and the City continued to promote and fund several activities targeted at improving the Project Area. A brief description of these activities is as follows:

A. *Community Development Block Grant Program*

During Fiscal Year 04/05, the Federal Department of Housing and Urban Development (HUD) approved a \$390,464 Community Development Block Grant (CDBG) program for the City (CDBG Program Year 2004). Authorized activities included:

- \$88,024 to supplement 2001, 2002, and 2003 CDBG funds rehabilitate the Municipal Pool's Changing Room building;
- \$32,131 to rehabilitate the Municipal Pool's Therapy Pool building;
- \$93,739 for a Seismic Mitigation Program to make grants to owners of unreinforced masonry buildings to reimburse them for the costs of structural engineering analyses and seismic retrofit construction plans;
- \$48,220 to install an LED-lighted in-roadway crosswalk system at 34th and Spring Streets;
- \$20,000 to operate a motel voucher program for the homeless;
- \$5,000 to operate an after-school program for teens;
- \$1,700 to operate a health screening program for low income women;
- \$4,000 to operate a health screening program for low income seniors;
- \$3,000 to operate a teen pregnancy program;
- \$4,000 to operate a drug and alcohol counseling program;
- \$2,000 to operate a literacy program;
- \$3,000 to operate a mentoring program for "at-risk" children;
- \$3,000 to operate a visitation for shut-in seniors program;
- \$4,650 to operate a food distribution (to very low income persons) program; and
- \$78,000 for grant administration and "capacity building" activities.

With the exception of the locations of some of the homeless and other public services programs, all of the CDBG-funded activities are located within the Redevelopment Project Area. "Capacity building" activities included staff time for a variety of activities that support development and preservation of affordable housing throughout the City.

B. *Commercial Development*

The Redevelopment Agency did not participate in assisting commercial development in Fiscal Year 2004/2005. However, the private investments shown in the table on the following page were made in new commercial floor space within the Project Area.

Project	Location
Commercial building (2,000 sq ft)	1530 Spring Street
Office/retail building (4,230 sq ft)	724 Spring Street
Kohl's Department Store (96,080 sq ft)	100 Niblick Road
Office conversion of residence (1,300 sq ft)	565- 8th Street
Office converted from residence (1,420 sq ft)	1545 Park
Contractor's shop building (4,390 sq ft)	1611 Riverside Avenue
Commercial building (2,900 sq ft)	1421 Riverside Avenue
Office (4,580 sq ft)	1704 Spring Street
Office/Retail building (3,260 sq ft)	2138 Spring Street

C. *Public Infrastructure*

13th Street Bridge Expansion: In Fiscal Year 04/05, construction continued on an expansion of the 13th Street Bridge to add two vehicle lanes, bike lanes, a second pedestrian path, and improvements to approaching roadways. This project is presently the most critical transportation system improvement in the Project Area and in the City. This bridge forms the primary link between the downtown core and the East Side of the City. The cost of this program is about \$20 million, of which \$750,000 comes from state grant funds, and \$19.25 million to come from a variety of local funds including Measure D98 funds and development fees. No redevelopment funds will be used for this project.

D. *Housing-Related Activities*

1. **Canyon Creek Apartments:** In Fiscal Year 04/05 Peoples' Self-Help Housing Corp. (PSHHC) continued construction of 68 apartment units for low income families at the southwest corner of Nicklaus Drive and Oak Hills Road. This project is being assisted with a loan of \$300,000 in LMIH funds and a grant of \$250,000 in federal HOME funds. The primary financing is federal tax credits.
2. **Creekside Gardens Senior Apartments:** In Fiscal Year 04/05, PSHHC completed construction of 29 apartment units for low income seniors at the northwest corner of Nicklaus Drive and Oak Hills Road. This project was assisted with a grant of \$635,000 in LMIH funds and a grant of \$225,000 in federal HOME funds. The primary financing is a grant of \$2.28 million in federal Section 202 Funds from the US Department of Housing and Urban Development for this project.
3. **Oak Park Senior Housing:** In Fiscal Year 04/05, the Paso Robles Nonprofit Housing Corp. solicited bids for construction of a 40 unit apartment building for low income seniors. The lowest bid exceed the project's budget, but PRNPHC elected to work with the lowest bidder to reduce costs, which will include redesigning the building to have wood framing (instead of steel). The Redevelopment Agency has committed a total of

\$545,000 in LMIH funds to assist this project (\$25,000 for preliminary architectural plans and environmental studies and \$520,000 to offset City development fees).

4. Housing Element of the General Plan: In December 2004, the City adopted an updated Housing Element, which has been determined by the State Department of Housing and Community Development to be in conformance with State Housing Element Law.
5. Redevelopment Implementation Plan: In December 2004, the City adopted an updated Redevelopment Implementation Plan, which sets priorities for use of LMIH funds for the five year period 2005-2009.

Audit Report and Financial Statements

**REDEVELOPMENT AGENCY OF THE
CITY OF EL PASO DE ROBLES
BASIC FINANCIAL STATEMENTS
June 30, 2005**

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REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
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MOSS, LEVY & HARTZHEIM

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS:

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INDEPENDENT AUDITORS' REPORT

Board of Directors
City of El Paso De Robles Redevelopment Agency
El Paso De Robles, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Redevelopment Agency of the City of El Paso De Robles (Agency), a component unit of the City of El Paso De Robles, California (City), as of and for the fiscal year ended June 30, 2005, as listed in the foregoing table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency, as of June 30, 2005, and the respective changes in financial position thereof, and budgetary comparison for the RDA Special Revenue Fund and the RDA Low and Moderate Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

The Agency has not presented management's discussion and analysis that the Governmental Accounting Standard Board have determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 23, 2005, on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

MOSS, LEVY & HARTZHEIM

September 23, 2005

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
STATEMENT OF NET ASSETS

June 30, 2005

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and investments	\$ 990,611
Accounts receivable	186,644
Loans receivable	308,740
Prepaid items	334,535
Restricted cash and investments:	
Held by fiscal agent	853,997
Capital assets:	
Nondepreciable	10,033
Depreciable assets, net	<u>1,488,964</u>
Total assets	<u>4,173,524</u>
 LIABILITIES:	
Current liabilities:	
Accounts payable and accrued liabilities	40,106
Interest payable	172,357
Long-term debt liabilities:	
Due within one year	735,000
Due in more than one year	<u>13,891,356</u>
Total liabilities	<u>14,838,819</u>
 NET ASSETS	
Restricted for debt service	1,359,031
Restricted for low and moderate housing	1,330,593
Unrestricted	<u>(13,354,919)</u>
Total net assets (deficit)	<u>\$ (10,665,295)</u>

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The notes to the financial statements are an integral part of this statement.

REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2005

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Operating Grants and Contributions</u>
Governmental activities:				
Community development	\$ 9,316,305	\$ -	\$ -	\$ -
Total governmental activities	\$ 9,316,305	\$ -	\$ -	\$ -

General revenues:

- Property taxes
- Investment earnings
- Miscellaneous
- Transfers

Total general revenues and transfers

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Change in net assets

Net assets (deficit) - beginning of fiscal year, restated

Net assets (deficit) - end of fiscal year

The notes to the financial statements are an integral part of this statement.

Net (Expense)
Revenue
and Changes
in Net Assets

Governmental
Activities

\$ (9,316,305)

(9,316,305)

2,325,414
24,664
58,010
(100,861)

2,307,227

(7,009,078)

(3,606,751)

(49,466)

(3,956,217)

\$ (10,655,295)

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REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2005

	Major Funds			Total Governmental Funds
	Low and Moderate Special Revenue Fund	RDA Special Revenue Fund	Debt Service Fund	
ASSETS				
Cash and investment	\$ 794,293	\$ -	\$ 196,318	\$ 990,611
Accounts receivable			186,644	186,644
Loans receivable	266,650	42,090		308,740
Restricted investments:				
Held by fiscal agent			853,997	853,997
Prepaid items			334,535	334,535
Total assets	\$ 1,060,943	\$ 42,090	\$ 1,571,494	\$ 2,674,527
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 40,106	\$ 40,106
Total liabilities			40,106	40,106
Fund Balances:				
Reserved:				
Long-term receivables and advances	266,650	42,090		308,740
Debt service			1,531,388	1,531,388
Total reserved	266,650	42,090	1,531,388	1,840,128
Unreserved:				
Designated	794,293			794,293
Total unreserved	794,293			794,293
Total fund balances	1,060,943	42,090	1,531,388	2,634,421
Total liabilities and fund balances	\$ 1,060,943	\$ 42,090	\$ 1,571,494	\$ 2,674,527

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The notes to the financial statements are an integral part of this statement.

**REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2005**

Total fund balances - governmental funds \$ 2,634,421

In governmental funds, only current assets are reported. In the statement of net assets, all assets are reported, including capital assets and accumulated depreciation.

Capital asset at historical costs \$ 1,871,238
Accumulated depreciation (372,241)

Net 1,498,997

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In government-wide statements of net assets, it is recognized in the period that it is incurred. (172,357)

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net assets, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Advances payable \$ 7,981,356
1996 Tax Allocation Bonds 2,900,000
2000 Tax Allocation Bonds 3,745,000

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Total (14,626,356)

Total net assets, governmental activities \$ (10,665,295)

The notes to the financial statements are an integral part of this statement.

REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2005

	Major Funds			Total Governmental Funds
	Low and Moderate Special Revenue Fund	RDA Special Revenue Fund	Debt Service Fund	
Revenues:				
Taxes	\$ 365,771	\$ -	\$ 1,959,643	\$ 2,325,414
Uses of money and property	9,976		14,688	24,664
Other			58,010	58,010
Total revenues	375,747		2,032,341	2,408,088
Expenditures:				
Current:				
Community development	2,640	144,441	625,440	772,521
Debt service:				
Principal			335,000	335,000
Interest and fiscal charges			356,080	356,080
Total expenditures	2,640	144,441	1,316,520	1,463,601
Excess of revenues over (under) expenditure:	373,107	(144,441)	715,821	944,487
Other Financing Sources (Uses):				
Transfer to City of El Paso De Robles			(245,302)	(245,302)
Transfer from City of El Paso De Robles		144,441		144,441
Total other financing sources (uses)		144,441	(245,302)	(100,861)
Excess of revenues and other financing over (under) expenditures and other uses	373,107		470,519	843,626
Fund balances, July 1, 2004	737,302	42,090	1,060,869	1,840,261
Prior year adjustments	(49,466)			(49,466)
Fund balances, July 1, 2004, restated	687,836	42,090	1,060,869	1,790,795
Fund balances, June 30, 2005	\$ 1,060,943	\$ 42,090	\$ 1,531,388	\$ 2,634,421

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The notes to the financial statements are an integral part of this statement.

**REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
 RECONCILIATION OF THE STATEMENT OF
 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2005**

Total net changes in fund balances - governmental funds	\$ 843,626
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay of \$0, is less than depreciation expense \$(37,224) in the period.	(37,224)
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities.	335,000
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was:	5,876
In governmental funds, external party reimbursements for past services are not recorded. In the government-wide statements, the long-term debt due is recorded.	<u>(8,156,356)</u>
Change in net assets of governmental activities	<u>\$ (7,009,078)</u>

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The notes to the financial statements are an integral part of this statement.

REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
LOW AND MODERATE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 355,000	\$ 355,000	\$ 365,771	\$ 10,771
Investment earnings			9,976	9,976
Total revenues	355,000	355,000	375,747	20,747
Expenditures:				
Community development	537,100	537,100	2,640	534,460
Total expenditures	537,100	537,100	2,640	534,460
Excess of revenues over (under) expenditures	(182,100)	(182,100)	373,107	555,207
Other Financing Sources (Uses):				
Transfer out to City of El Paso de Robles	(107,600)	(107,600)		107,600
Total other financing sources (uses)	(107,600)	(107,600)		107,600
Excess revenues and other financing sources over (under) expenditures and other financing uses	(289,700)	(289,700)	373,107	662,807
Fund balance - July 1, 2004	737,302	737,302	737,302	
Prior year adjustments	(49,466)	(49,466)	(49,466)	
Fund balance, July 1, 2004, restated	687,836	687,836	687,836	
Fund balance - June 30, 2005	\$ 398,136	\$ 398,136	\$ 1,060,943	\$ 662,807

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The notes to the financial statements are an integral part of this statement.

REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
RA SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Community development	\$ 76,100	\$ 76,100	\$ 144,441	\$ (68,341)
Debt service	958,000	958,000		958,000
Total expenditures	1,034,100	1,034,100	144,441	889,659
Excess of revenues over (under) expenditures	(1,034,100)	(1,034,100)	(144,441)	889,659
Other Financing Sources (Uses):				
Transfer from City of El Paso De Robles	50,000	50,000	144,441	94,441
Total other financing sources (uses)	50,000	50,000	144,441	94,441
Excess of revenues and other financing over (under) expenditures and other uses	(984,100)	(984,100)		984,100
Fund balance - July 1, 2004	42,090	42,090	42,090	
Fund balance - June 30, 2005	\$ (942,010)	\$ (942,010)	\$ 42,090	\$ 984,100

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The notes to the financial statements are an integral part of this statement.

REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Redevelopment Agency (Agency) of the City of El Paso De Robles, California, have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting principles. The more significant of the Agency's accounting policies are described below.

A. Reporting Entity

The Agency is a blended component unit of the City of El Paso de Robles (City). The Agency was created by the City of El Paso De Robles City Council (City Council) in 1988. The City Manager acts as the Agency's Executive Director and the City Council acts as the governing commission, which exerts significant influence over its operations. The primary purpose of the Agency is to eliminate blighted areas by encouraging the development of residential, commercial, industrial, recreational, and public facilities.

Funds for redevelopment projects are provided from various sources, including incremental property tax revenues and tax allocation bonds.

B. Description of Funds

The accounts of the Agency are organized on the basis of funds, 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 that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The minimum number of funds is maintained consistent with legal and managerial requirements.

C. Government - wide Financial Statements

The Agency's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental activities for the Agency. The Agency does not have any business-type activities, therefore only governmental activities are reported.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Agency's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the Agency in three categories: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables.

D. Fund Financial Statements

Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net assets presented in the government-wide financial statements. The Agency has presented all funds as major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Financial Statements (Continued)

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after fiscal year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Agency, are increment property tax, intergovernmental revenues, other taxes, interest revenues, rental revenues, and certain charges for services. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government received resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

The Reconciliation of the Governmental Funds Financial Statements to the Government-wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

E. Use of Restricted/Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Agency's policy is to apply restricted net assets first.

F. Use of Estimate

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenditures or expenses as appropriate. Actual results could differ from those estimates.

G. Property Tax Revenues

Incremental property tax revenues represent property taxes in each project area arising from increased assessed valuations over base valuations established at the inception of the project area. Incremental property taxes from each project area accrue to the Agency until all liabilities and commitments of the project area have been repaid (including cumulative funds provided or committed by the Agency). After all such indebtedness has been repaid, all property taxes from the project area revert back to the various taxing authorities.

H. Low and Moderate Fund

The California Health and Safety Code requires Agency project area to deposit 20% of allocated incremental property tax revenues (or 20% of net bond proceeds plus 20% of incremental revenues in excess of debt service payments on the bond) into a Low and Moderate Fund. This money is restricted for the purpose of increasing and improving the community's supply of low and moderate income housing. The Agency accounts for these revenues in a special revenue fund.

I. Capital Assets

The Agency's capital assets are capitalized at historical cost or estimated historical costs. Agency policy has set the capitalization threshold for reporting capital assets at \$5,000. Gifts or contributions of capital assets are recorded at fair value when received. Depreciation is recorded on a straight-line basis over the useful lives of these assets as follows:

Infrastructure	25 years
Structures and improvements	15 years
Equipment	5-20 years

REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Net Assets

Government-wide Financial Statements

Invested in Capital Assets, Net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the capital assets.

Restricted Net Assets – external creditors, grantors, contributors, or laws or regulations of other governments restrict this amount.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted” net assets.

Fund Financial Statements

Fund Equity – Reservations of fund balances of governmental funds are created to either satisfy legal covenants, including State laws, that require a portion of the fund equity be segregated or identify the portion of the fund equity not available for future expenditures.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2005 consisted of the following:

Cash and investments pooled with the City	990,611
Restricted cash and investments with fiscal agents	853,997
Total cash and investments	<u>\$ 1,844,608</u>

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The Agency has pooled its cash and investments with the City in order to achieve a higher return on investment. Certain restricted funds, which are held and invested by independent outside custodians through contractual agreements, are not pooled. These restricted funds include cash with fiscal agents.

See the City’s Comprehensive Annual Financial Report for disclosures related to cash and investments and the related custodial risk categorization.

Investments Authorized by Debt Agreements

Investment of note proceeds held by note trustees are governed by the 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 fiscal agents. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
Money market accounts	N/A	None	None

REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2005

NOTE 2 - CASH 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.

Information about the sensitivity of the fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity:

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13-24 Months	25-60 Months	More than 60 Months
Held by fiscal agent:					
Money market funds	\$ 853,997	\$ 853,997	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

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 rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, and the actual rating as of fiscal year end for each investment type.

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Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	Aa	Not Rated
Held by fiscal agent:						
Money market funds	\$ 853,997	N/A	\$ -	\$ -	\$ -	\$ 853,997

Custodial Credit Risk

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 of 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 investments. With respect to investment, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to local government's indirect investment in securities through the use of money market funds.

NOTE 3 - LOANS RECEIVABLE

Housing Assistance Loans

The Agency has loaned \$3,500 to one local family to rehabilitate a home in the redevelopment area. The terms of the agreement specify that the family does not have to make payments on the loan. If a family moves or transfers the property, the loan balance becomes immediately payable to the Agency. The balance of the loan at June 30, 2005 is \$3,500.

REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

NOTE 3 – LOANS RECEIVABLE (Continued)

Facade Rehabilitation Loans

The Agency has loaned \$74,866 to 8 local businesses for facade rehabilitation. The terms of the agreements do not specify monthly payments on the loans. If the business is sold, the loan balance becomes immediately payable. The balance of the loans at June 30, 2005 is \$42,090.

Cal-Home Loan Program

The Agency during the prior fiscal year loaned \$338,750 to eligible participants as part of the Cal-Home Loan Program. The balance of the loans at June 30, 2005 is \$263,150.

NOTE 4 – CAPITAL ASSETS

Changes in capital assets during the year ended June 30, 2005, were as follows:

	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005
Land	\$ 10,033	\$ -	\$ -	\$ 10,033
Buildings and improvements	1,861,205	_____	_____	1,861,205
Accumulated depreciation	1,871,238 (335,007)	(37,224)	_____	1,871,238 (372,241)
Net capital assets	1,536,221	\$ (37,224)	\$ -	\$ 1,498,997

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NOTE 5 – LONG-TERM DEBT

Tax Allocation Bonds

Changes in Long-Term Debt Obligations - Following is a summary of changes in general long-term debt obligations during the 2004/2005 fiscal year:

	Balance July 1, 2004	Debt Issued	Debt Retired	Balance June 30, 2005	Current Portion
Tax Allocation Refunding Bonds, Series 1996	\$ 2,995,000	\$ -	\$ 95,000	\$ 2,900,000	\$ 100,000
Tax Allocation Refunding Bonds, Series 2000	3,810,000	_____	65,000	3,745,000	65,000
Advances payable	_____	8,156,356	175,000	7,981,356	570,000
Totals	\$ 6,805,000	\$ 8,156,356	\$ 335,000	\$ 14,626,356	\$ 735,000

Tax Allocation Refunding Bonds, Series 1996

On September 1, 1996, the El Paso De Robles Community Redevelopment Agency adopted a resolution authorizing the sale of \$3,630,000 in aggregate principal amount of Paso Robles Redevelopment Project 1996 Tax Allocation Refunding Bonds. The bonds mature in amounts from \$85,000 to \$255,000, annually payable on July 1 of each year to 2021. Interest rates vary from 4.5% to 5.625%. The balance of outstanding bonds at June 30, 2005 is \$2,900,000.

REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

NOTE 5 – LONG-TERM DEBT (Continued)

Tax Allocation Refunding Bonds, Series 1996 (Continued)

The annual debt service requirement for the 1996 Tax Allocation Bonds outstanding at June 30, 2005, were as follows:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 100,000	\$ 154,798	\$ 254,798
2007	100,000	149,998	249,998
2008	120,000	144,548	264,548
2009	125,000	138,360	263,360
2010	135,000	131,629	266,629
2010-2015	795,000	538,966	1,333,966
2016-2020	1,030,000	290,627	1,320,627
2021-2022	495,000	28,266	523,266
Totals	<u>\$ 2,900,000</u>	<u>\$ 1,577,192</u>	<u>\$ 4,477,192</u>

Tax Allocation Refunding Bonds, Series 2000

On October 1, 2000, the El Paso De Robles Community Redevelopment Agency adopted a resolution authorizing the sale of \$4,090,000 in aggregate principal amount of El Paso De Robles Redevelopment Project 2000 Tax Allocation Refunding Bonds. The bonds mature in amounts from \$20,000 to \$485,000 annually payable on July 1 of each year to 2027. Interest rates vary from 2.625% to 5.0%. The balance of outstanding bonds at June 30, 2005 is \$3,745,000.

The annual debt service requirement for the Tax Allocation Refunding Bonds, Series 2000 outstanding at June 30, 2005, were as follows:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 65,000	\$ 190,901	\$ 255,901
2007	65,000	188,155	253,155
2008	75,000	185,161	260,161
2009	65,000	182,135	247,135
2010	70,000	179,181	249,181
2010-2015	375,000	846,565	1,221,565
2016-2020	480,000	743,006	1,223,006
2021-2025	1,165,000	571,738	1,736,738
2026-2028	1,385,000	111,668	1,496,668
Totals	<u>\$ 3,745,000</u>	<u>\$ 3,198,510</u>	<u>\$ 6,943,510</u>

NOTE 6 – ADVANCES PAYABLE

Advances payable are due to the City from the Redevelopment Agency originating in 1993. The payments to the City began in 2005. The Redevelopment Agency will make payments ranging from \$175,000 to \$1,047,000 till the year 2016. There are no formal reimbursement schedules. The balance of advances payable at June 30, 2005 is \$7,981,356.

REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2005

NOTE 7 - DEFEASED DEBT

On December 1, 1991, the El Paso De Robles Community Redevelopment Agency adopted a resolution authorizing the sale of \$3,500,000 in aggregate principal amount of Paso Robles Redevelopment Project 1991 Tax Allocation Bonds. The bonds mature in amounts from \$70,000 to \$90,000 annually payable on July 1 of each year to 2006. An additional number of term bonds mature on July 1, 2021, in the principal amount of \$2,445,000. Interest rates vary from 6.60% to 7.25%. During the 1996-1997 fiscal year, the bonds were defeased by placing proceeds of the Tax Allocation Refunding Bonds, Series 1996 in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Agency's financial statements. At June 30, 2005, \$2,580,000 of bonds outstanding are considered defeased.

NOTE 8 - COMMITMENTS

Fiscal Agreements

Other Agencies

The Agency has entered into fiscal agreements with all agencies which levy property taxes within the Project area in order to alleviate the financial burden or detriment as a result of growth inducing aspects of the Redevelopment Project. The fiscal agreements with the San Luis Obispo County Air Pollution Control District, the San Luis Obispo County Flood Control and Water Conservation District, and the Paso Robles Cemetery District provide that these taxing agencies shall receive all property tax increment as if the Agency did not exist. With regard to the County of San Luis Obispo, 100% of their tax increment shall be paid to the Agency through fiscal year 1997 or until \$10 million is received by the Agency, whichever occurs first. Beginning in fiscal year 1998, the County shall receive 25% of their tax increment through fiscal year 2002 unless the \$10 million maximum obligation is achieved. Beginning in fiscal year 2002, the County shall receive 75% of their tax increment until such time as the \$10 million maximum obligation is met, the County shall receive 100% of their tax increment. The fiscal agreements with the San Luis Obispo County Superintendent of Schools and the San Luis Obispo County Community College District require that 50% of their tax increment after deductions for the 2% annual growth in tax increment and the set aside for the low and moderate income housing fund be placed in a trust fund to be used for projects of mutual benefit.

Paso Robles Union School District

The fiscal agreement with the Paso Robles School District (District) contains the following provisions: (1) District shall receive its 2% annual growth in tax increment, (2) District shall receive all voter approved tax levies for existing or future bonded indebtedness above the 1% maximum tax levy, (3) the balance of all property tax increment shall be paid to the Agency until such time as there is sufficient tax increment to support the annual debt service for a bond issue totaling \$10 million, (4) following the year in which the \$10 million bond obligation is met, the District shall have the option of receiving 25% of the net proceeds of any subsequent bond issues or receiving that portion of tax increment necessary to support a bond issue if the principal amount were to be increased by 33 1/3%, (5) the District shall receive 38.5% of tax increment beyond that amount needed to service the \$10 million bond requirement and any subsequent bond issues, (6) the District and Agency agree to use an amount not to exceed 50% of the tax increment generated for the low and moderate income housing fund or \$2.5 million, whichever is less, to reconstruct, construct or rehabilitate new or existing child care facilities for the benefit of low and moderate income residents.

Reimbursement Agreement

On November 1, 1993, the Agency and the City of El Paso De Robles entered into a reimbursement agreement, whereby the Agency agrees to reimburse the City for the cost of the new library building since it was determined that the library is essential to redevelopment of the areas included within the Redevelopment project, and has a general benefit to the City and its residents. The annual reimbursements are based on the debt service payments to be made by the City under the 1993 Capital Facilities Financing Project Certificates of Participation (\$4,700,000 portion related to the library) issued by the City on December 7, 1993. The Agency will use tax increment revenues if and when available, to reimburse the City. Annual debt service payments scheduled to be made to the City range from \$139,777 in June 1994 to \$321,740 in December 2023. The Agency will record reimbursement expenditure in each year as paid.

REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

NOTE 9 – PRIOR YEAR ADJUSTMENTS

Prior year adjustments of \$(49,466) were made to correct various accruals from the prior year.

DRAFT



MOSS, LEVY & HARTZHEIM
 CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS:

ROBERT M. MOSS, C.P.A.*
 RONALD A. LEVY, C.P.A.*
 CRAIG A. HARTZHEIM, C.P.A.*

*DENOTES PROFESSIONAL CORPORATION

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
 REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
 City of El Paso De Robles Redevelopment Agency
 El Paso De Robles, California

We have audited the financial statements of the governmental activities and each major fund, of the City of El Paso De Robles Redevelopment Agency (the Agency), a component unit of the City of El Paso De Robles (City), as of and for the fiscal year ended June 30, 2005, and have issued our report thereon dated September 23, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

DRAFT

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions include those provisions of laws and regulations identified in the Guidelines for *Compliance Audits of California Redevelopment Agencies* issued by the State Controller. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the State Controller and is not intended to be and should not be used by anyone other than these specified parties.

MOSS, LEVY & HARTZHEIM

September 23 2005

Statement of Indebtedness



CITY OF EL PASO DE ROBLES
"The Pass of the Oaks"

September 27, 2005

Marsha Stillman
Property Tax Manager
County of San Luis Obispo
Office of the Auditor-Controller
County Government Center, Room 300
San Luis Obispo, CA 93408

Re: Statement of Indebtedness

Dear Marsha:

Enclosed is the Paso Robles Redevelopment Agency's Statement of Indebtedness for the fiscal year ending June 30, 2005.

The Statement of Indebtedness was prepared in accordance with instructions as provided by the California Redevelopment Association.

Sincerely,

Michael J. Compton
Director of Administrative Services

cc: James L. App, City Manager
City Council

Enclosure

STATEMENT OF INDEBTEDNESS - CONSOLIDATED
FILED FOR THE 2005-06 TAX YEAR

Name of Redevelopment Agency Paso Robles Redevelopment Agency
 Name of Project Area Paso Robles Redevelopment Agency

	Line	Current	
		Total Outstanding Debt	Principal/Interest Due During Tax Year
Balances Carried Forward From:			
Fiscal Period - Totals	(1)	119,471,798	1,846,177
Post Fiscal Period - Totals	(2)		
Grand Totals	(3)	119,471,798	1,846,177
Available Revenues	(4)	3,016,983	
Net Requirement	(5)	116,454,815	

Consolidate on this form all of the data contained on Form A and B (including supplemental pages). Form A is to include all indebtedness entered into as of June 30 of the Fiscal Year. Form B may be filed at the option of the agency, and is to include indebtedness entered into post June 30 of the Fiscal Year, pursuant to Health and Safety Code Section 33675(c)(2). This is optional for each agency and is not a requirement for filing the Statement of Indebtedness. The Reconciliation Statement is to include indebtedness from Form A only.

Certification of Chief Financial Officer:
 Pursuant to Section 33675 (b) of the Health and Safety Code,
 I hereby certify that the above is a true and accurate Statement
 of Indebtedness for the above named agency.

Michael J. Compton	Dir. of Admin Services
Name	Title
Signature	Date

STATEMENT OF INDEBTEDNESS - FISCAL YEAR INDEBTEDNESS
FILED FOR THE 2005-06 TAX YEAR

Name of Redevelopment Agency
 Name of Project Area

Paso Robles Redevelopment Agency
 Paso Robles Redevelopment Agency

For Indebtedness Entered into as of June 30, 2005

Debt Identification	Original Data						Current	
	Date	Principal	Term	Interest Rate	Total Interest	Total Outstanding Debt	Principal/Interest Due During Tax Year	
(A) 1996 TA Refunding Bonds	Sep-96	3,630,000	25 yrs	5.51%	3,041,097	4,477,191	254,798	
(B) Tax Sharing Agrmt-Cuesta College	Jul-88	N/A	Open	N/A	0	5,916,627	73,557	
(C) Tax Sharing Agrmt-SLO Co. Schools	Jul-88	N/A	Open	N/A	0	3,506,410	43,592	
(D) Tax Sharing Agrmt-SLO County	Jul-88	N/A	Open	N/A	0	40,759,349	497,106	
(E) Tax Sharing Agrmt-Paso Schools	Jul-88	N/A	Open	N/A	0	18,164,730	240,301	
(F) Housing Set Aside	Jul-88	N/A	Open	N/A	0	36,489,551	441,718	
(G) Tax Sharing Agrmts-100% Pass Thru	Jun-98	N/A	Open	N/A		3,214,430	39,204	
(H) 2000 TA Bonds	Oct-00	4,090,000	27 yrs	5.33%	4,039,938	6,943,510	255,901	
(I)								
(J)								
Sub Total,						119,471,798	1,846,177	
This Page								
Totals Forward						0	0	
From All Other Pages								
Totals,						119,471,798	1,846,177	
Fiscal Year Indebtedness								

Purpose of Indebtedness:

- (A) Refund 1991 Tax Allocation Bonds
- (B) Per tax sharing agreement
- (C) Per tax sharing agreement
- (D) Per tax sharing agreement
- (E) Per tax sharing agreement
- (F) Pursuant to H & S Code Section 33334.2
- (G) Per tax sharing agreement
- (H) Repay internal loans, contributions to Niblick Bridge expansion & So River Rd improvements
- (I)
- (J)

STATEMENT OF INDEBTEDNESS - POST FISCAL YEAR INDEBTEDNESS ONLY
 FILED FOR THE 2005-06 TAX YEAR

Form B
(Optional)

Name of Redevelopment Agency Paso Robles Redevelopment Agency
 Name of Project Area Paso Robles Redevelopment Agency

For Indebtedness Entered into as of June 30, 2005

Debt Identification	Original Data					Current		
	Date	Principal	Term	Interest Rate	Total Interest	Total Outstanding Debt	Principal/Interest Due During Tax Year	
(A)								
(B)								
(C)								
(D)	NOT APPLICABLE							
(E)								
(F)								
(G)								
(H)								
(I)								
(J)								
Sub Total, This Page								
Totals Forward From All Other Pages								
Totals, Fiscal Year Indebtedness								

Purpose of Indebtedness:

- (A) _____
- (B) _____
- (C) _____
- (D) _____
- (E) _____
- (F) _____
- (G) _____
- (H) _____
- (I) _____
- (J) _____

RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Name of Agency **Paso Robles Redevelopment Agency**
 Name of Project Area **Paso Robles Redevelopment Agency**

Tax Year **2004-2005** Reconciliation Dates: From July 1, 2004 To June 30, 2005

SOI, Page and line:		A			B		C		D		E		F
Prior Yr.	Pg	Line	Debt Identification:	Outstanding Debt All Beginning Indebtedness	Increases (Attach Explanation)	Decreases (Attach Explanation)	Adjustments (Attach Explanation)	Decreases (Attach Explanation)	Tax Increment	Amounts Paid Against Indebtedness from:	Other Funds	Remaining Balance (A+B-C-D-E)	
	Pg 1	Line A	1996 TA Refunding Bonds	4,731,523					254,332			4,477,191	
	Pg 1	Line B	Tax Sharing Agreement-Cuesta College	5,254,550	724,878				62,801			5,916,627	
	Pg 1	Line C	Tax Sharing Agreement-SLO Co. Schools	3,114,039	429,589				37,218			3,506,410	
	Pg 1	Line D	Tax Sharing Agreement-SLO County	36,910,550	4,263,436				414,637			40,759,349	
	Pg 1	Line E	Tax Sharing Agreement-Paso Schools	15,629,738	2,756,314				221,322			18,164,730	
	Pg 1	Line F	Housing Set Aside	33,251,142	3,238,409							36,489,551	
	Pg 1	Line G	Tax Sharing Agreements-100% Pass thru	2,910,900	336,231				32,701			3,214,430	
	Pg 1	Line H	2000 TA Bonds	7,202,117					258,607			6,943,510	
TOTAL-THIS PAGE				109,004,559	11,748,857	0	0	0	1,281,618	0	0	119,471,798	
TOTALS FORWARD				0	0	0	0	0	0	0	0	0	
GRAND TOTALS				109,004,559	11,748,857	0	0	0	1,281,618	0	0	119,471,798	

NOTE: This form is to reconcile the previous Statement of Indebtedness to the current one being filed. However, since the reconciliation period is limited by law to a July 1 - June 30 fiscal year period, only those items included on the SOI Form A is to be included on this document. To assist in following each item of indebtedness from one SOI to the next, use page and line number references from each SOI that the item of indebtedness is listed on. If the indebtedness is new to this fiscal year, enter "new" in the "Prior Yr" page and line columns. Column F must equal the current SOI, Form A Total Outstanding Debt column.

CALCULATION OF AVAILABLE REVENUES

<u>Paso Robles Redevelopment Agency</u>	AGENCY NAME
<u>Paso Robles Redevelopment Agency</u>	PROJECT AREA

TAX YEAR	<u>2004-2005</u>
RECONCILIATION DATES:	<u>JULY 1, 2004 TO JUNE 30, 2005</u>

Beginning Balance, Available Revenues (See Instructions)	1.	<u>2,206,781</u>
Tax Increment Received - Gross All Tax Increment Revenues, to include any Tax Increment passed through to other local taxing agencies.	2.	<u>2,081,954</u>
All other Available Revenues Received (See Instructions)	3.	<u>9,866</u>
Revenues from any other source, included in Column E of the Reconciliation Statement, but not included in (1-3) above	4.	<u> </u>
Sum of Lines 1 through 4	5.	<u>4,298,601</u>
Total amounts paid against indebtedness in previous year. (D + E on Reconciliation Statement)	6.	<u>1,281,618</u>
Available Revenues, End of Year (5 - 6) FORWARD THIS AMOUNT TO STATEMENT OF INDEBTEDNESS, COVER PAGE, LINE 4	7.	<u><u>3,016,983</u></u>

NOTES

Tax Increment Revenues:

The only amount(s) to be excluded as Tax Increment Revenue are any amounts passed through to other local taxing agencies pursuant to Health and Safety Code Section 33676. Tax Increment Revenue set-aside in the Low and Moderate Income Housing Fund will be washed in the above calculation, and therefor omitted from Available Revenues at year end.

Item 4. above:

This represents any payments from any source other than Tax Increment OR available revenues. For instance, an agency funds a project with a bond issue. The previous SOI included a Disposition Development Agreement (DDA) which was fully satisfied with these bond proceeds. The DDA would be shown on the Reconciliation Statement as fully repaid under the "other" column (Col E), but with funds that were neither Tax Increment, nor "Available Revenues" as defined. The amounts used to satisfy this DDA would be included on line 4 above in order to accurately determine ending "Available Revenues."