

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Redevelopment Agency Annual Report
DATE: December 19, 2006

NEED:

For the Council to receive and accept the Redevelopment Agency Annual Report for fiscal year 2005/06.

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 December 6, 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 \$273,671 and property tax receivables of \$164,787. 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, 2006 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 @ 6/30/06 \$2,800,000.
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 @ 6/30/06 \$3,680,000.

With regard to Agency's 20% low and moderate income housing operations (LMI Fund), the ending fund balance was \$663,362 of which \$194,650 was reserved for long-term loan receivables. The cash balance was \$468,712.

The long-term receivables are made up of a home loan of \$3,500 and \$191,150 for the Cal Home Loan Program. Commitments of the LMI Fund include the following:

FY 06/07 Housing Programs Administration	\$ 96,300
Canyon Creek Development Assistance	<u>23,000</u>
Total Commitments	<u>\$119,300</u>

It is estimated that the Agency will receive approximately \$529,000 in LMI revenues during fiscal year 2007.

FISCAL IMPACT:

None. Informational only.

OPTIONS:

- a. The Council receive and file the annual report for the fiscal year ended June 30, 2006; or
- b. Amend, modify or reject any of the options above.

**ALL ATTACHMENTS TO THIS STAFF REPORT MAY NOT BE AVAILABLE
IN DIGITAL FORMAT FOR VIEWING ON-LINE.**

For a copy of the complete Redevelopment Agency 2006 Annual Report, please refer to Item No. 1 of the December 19, 2006 Agenda.