

# PLACENTIA REDEVELOPMENT AGENCY PROPOSED OPERATING BUDGET 2009-2010

# Redevelopment 101

§ Formed 1983. Areas Added in 1994 and 2004

§ Formed under California Redevelopment Law

§ Redevelopment is a tool created by state law to assist local governments in eliminating blight from a designated area, as well as to achieve the goals of development, reconstruction and rehabilitation of residential, commercial, industrial and retail districts.

§ Funds are Restricted

§ 100% of Funds – 80% Capital Projects/Debt Service & 20% Low-Mod Housing

ú 20% Funds used to create, maintain & promote availability of affordable housing within the redevelopment area or throughout the City.

ú 80% Funds used to pay debt service, make improvements within project area (streets, curbs, parking, street lights, sewer, storm drain, etc)

§ Funds cannot be used for general government

ú Cannot fund maintenance. Personnel costs must be directly related to Redevelopment Activities.

# RDA Funding – Tax Increment

- § Increment is amount of property taxes over the “base year” when project area formed
- § Tax Sharing/Pass Throughs with other agencies
- § Not new taxes – only the incremental increase in valuation. RDA Funds power increase in value
- § Increase in sales taxes will benefit the City
- § Key to increase increment is successfully implementing the Redevelopment Plan and making improvements thereby increasing values

# Proposed 2009-2010 Budget

## § RDA Revenue (80% Fund):

Property Tax Increment:	\$ 2,259,000
Estimated Funds Available*	\$ 1,824,187
Rental Property Income	<u>\$ 250,000</u>
Total Estimated Available Funds:	\$ 4,333,187

\* Estimated Funds Available includes unrestricted balances to be used for programs and admin and restricted reserve for debt service payments.

# Proposed 2009-2010 Budget

## § Proposed Uses

Transfer to Low/Mod Housing*	\$	451,800
Tax Sharing	\$	244,000
Debt Service	\$	318,929
City Reimbursement Agreement	\$	875,000
Payments to City**	\$	158,900
Administrative Expenses	\$	447,386
Project Expenses	\$	<u>458,000</u>
Total Uses/Expenditures	\$	2,954,015

\* Mandatory 20% allocation to Low-Moderate Income Housing Fund

\*\* Interest only payment based on sale of City owned properties to RDA

# Proposed 2009-2010 Budget

<b>Description</b>	<b>80% Capital Projects</b>	<b>20% Low- Moderate Fund</b>
Estimated Fund Balance on 7/1/09	\$ 1,824,187	\$ 2,488,805
09/10 Estimated Property Tax Revenue	\$ 2,259,000	\$ 451,800
Rent Income	\$ 250,000	\$ 36,000
<b>Total Revenues</b>	<b>\$ 4,333,187</b>	<b>\$ 2,976,605</b>
Transfer to Low-Mod Housing Fund	\$ (451,800)	
09/10 Debt Service Payments	\$ (1,193,929)	\$ (213,329)
09/10 Est. Administrative Expenditures	\$ (447,386)	\$ (178,615)
09/10 Est. Project Expenditures	\$ (458,000)	\$ (500,000)
Tax Sharing, City Loan and Other Costs	\$ (415,550)	
Restricted Reserve for Debt Service	\$ (1,187,000)	\$ (215,000)
<b>Total Uses/Expenditures</b>	<b>\$ 4,153,665</b>	<b>\$ 1,106,944</b>
Est. Unrestricted Fund Balance on 6/30/10	\$ 179,522	\$ 1,869,661
(Add Restricted Reserve Balance)	\$ 1,366,522	\$ 2,084,661

# Proposed 2009-2010 Budget

## Review of Administrative Expenditures

Administrative Expenses include salary and benefits for City Administrator (40%); Assistant City Administrator (50%); and, Deputy Finance Director (25%). Additional administrative items include: legal, appraisals, consultant reports, supplies, insurance, auditing, IT allocation, and administrative allocation paid the City to cover costs.

# Proposed Projects (Capital Projects 80%)

## § Destination Downtown Improvements

- ú Create Pedestrian/Customer Friendly Santa Fe
- ú Façade Improvement Program
- ú Downtown Strike Team

## § Property Acquisitions

- ú Create More Opportunity for Parking

## § Increase Lighting and Security Features

## § Implementation of Westgate Specific Plan

## § Transit Oriented Development Opportunities



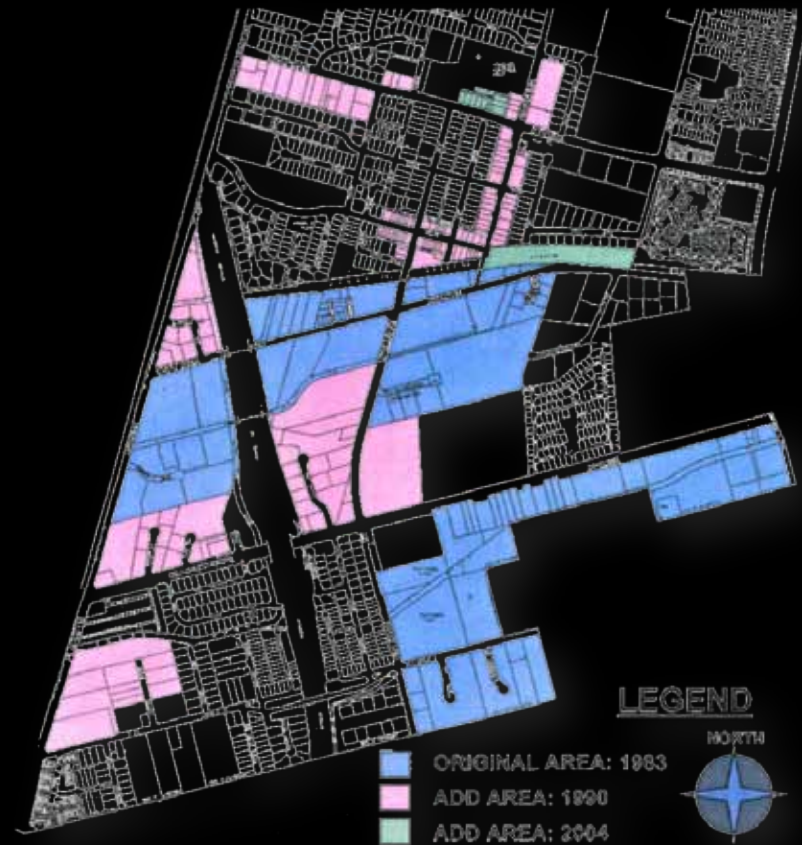
# Proposed Projects (Low/Mod 20%)

- § Professional Property Management
  - ú Maintain Properties and Tenant Services
- § Provide Affordable Housing Opportunities
  - ú Atwood - Partnership with Non-Profits
  - ú Crowther Avenue Properties
  - ú Santa Fe and La Jolla Funding (CDBG & RDA)
- § Neighborhood Stabilization Funds

# Projects are Key to Redevelopment



Questions  
&  
Answers



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**2009-2010**