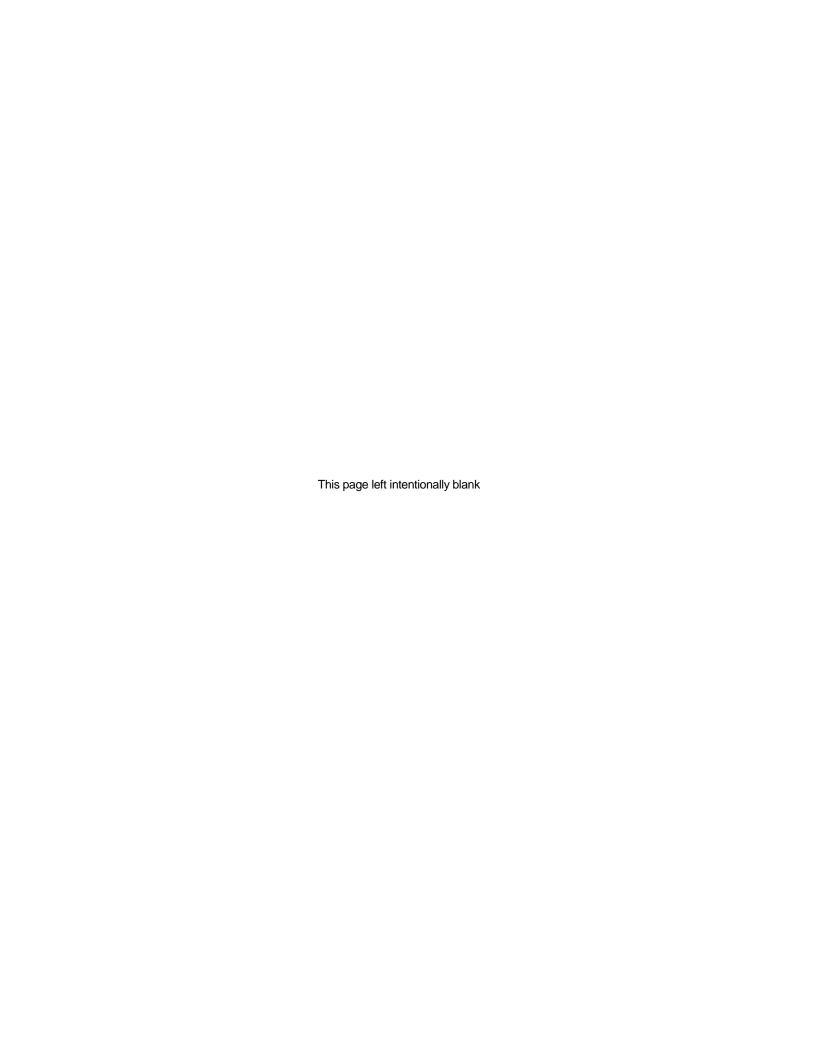
Redevelopment Agency of the City of Roseville Annual Report 2008-2009









REDEVELOPMENT AGENCY OF THE CITY OF ROSEVILLE

ANNUAL SUMMARY OF FINANCIAL TRANSACTIONS, HOUSING ACTIVITIES AND REDEVELOPMENT PLAN AREA ACHIEVEMENTS

FISCAL YEAR 2008-2009

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INTRODUCTION

The purpose of this report is to fulfill the annual report requirement mandated by the California Health and Safety code, Sections 33080 et al.

Redevelopment Agency of the City of Roseville

The Roseville City Council activated the Redevelopment Agency of the City of Roseville (Agency) in May of 1983. No programs or plans were formally begun until May of 1985, when the Redevelopment Plan concept was presented to the Redevelopment Agency. Projects outlined in the Plan were to be initially funded by Community Development Block Grant funds. A Redevelopment Plan and Draft Environmental Impact Report (DEIR) were prepared in 1986 with adoption and certification completed in early 1987. In addition, staff was meeting at this time with Placer County to negotiate a Tax Increment Passthrough Agreement.

After considerable testimony from residents and business owners in the proposed Redevelopment Plan area, the Roseville City Council revoked the ordinance creating the Redevelopment Plan and directed staff to revise the Redevelopment Plan and DEIR. The boundaries were modified and the DEIR was amended to reflect the changes. Final action on the Redevelopment Plan and certification of the Environmental Impact Report (EIR) was taken on October 4, 1989, along with approval of the Tax Increment Passthrough Agreement with Placer County.

In January 1990, Tax Increment Passthrough Agreements for each of the five school districts that serve the project area were approved. Those districts are: 1) Eureka Union School District; 2) Roseville City School District; 3) Roseville Unified High School District; 4) Placer County Office of Education; and 5) Sierra College. Budgets for the Redevelopment Agency are approved in June of each year.

Roseville Flood Control Plan Area

The Agency adopted Ordinance 3267 authorizing the Roseville Flood Control Plan Area on September 16, 1998. Due to severe flooding in January 1997, the Federal Emergency Management Agency (FEMA) issued its notice titled "Amendment to Notice of a Major Disaster Declaration" (FEMA-1155-DR) declaring Placer County, and by extension the City of Roseville, a federal disaster area. Section 34001 of the California Community Redevelopment Disaster Project Law provides pursuant to that part, a community may adopt and implement a redevelopment plan within a disaster area if the community has commenced the adoption of the redevelopment plan area within six months after the President of the United States has determined the disaster to be a major disaster. The purpose of establishing this project area was to assist the City of Roseville with financing the City's Cirby, Linda and Dry Creek Flood Control projects.

I. INDEPENDENT FINANCIAL AUDIT

<u>Audited Financial Statements, Report on Compliance and Report on Internal Control over</u> Financial Reporting

Maze and Associates performed the independent financial audit for the Agency at the same time as the City of Roseville's audit was conducted. The Basic Component Unit Financial Statements and Independent Auditor's Report for the 2008-2009 fiscal year has been completed and received and is attached to this report (refer to Attachment 3).

Management Discussion and Analysis (MDA)

Included in the Basic Component Unit Financial Statements, the MDA provides a thorough overview and analysis of the Agency's financial activities for 2008-2009 as well as statistical comparisons to the prior year.

II. FISCAL STATEMENT

All balances and payments presented are as of June 30, 2009.

Outstanding Indebtedness – Redevelopment Project Area and Flood Plan Areas

Redevelpment Agency Long-Term Debt and Interfund Advances

	Original Plan	Flood Plan	Low/Mod
	Area	Area	Fund
Tax Allocation Bonds:			
2002 Series	12,890,000		
2006 Series A	13,155,000		
2007 Series A-T	2,965,000		
2008 Series H-T			6,295,000
City Debt:			
Auto Replacement Fund	829,201		
General Fund	5,235,671	4,124,865	
Affordable Housing Fund			50,000
Gas Tax Fund		3,900,000	
Total	\$35,074,872	\$8,024,865	\$6,345,000

Source: City of Roseville Redevelopment Agency Basic Component Unit Financial Statements

Debt Service Payments

Debt Service payments made during the 2008-09 for all four bond issues included principal and interest in the amount of \$440,000 and \$1,833,852 respectively.

Interfund Advances - Payments

During the 2008-2009 fiscal year, repayments in the amount of \$625,000 were made to the City of Roseville General Fund and the Affordable Housing Fund toward the outstanding balances of the advances outlined in the above table.

Property Tax Increment Received

Redevelpment Agency Property Tax Increment

	Original Plan	Flood Plan
	Area	Area
Current Secured Property Taxes	5,562,114	1,109,702
Current Unsecured Property Taxes	141,300	21,603
Current Supplemental Taxes	54,901	(25,311)
Utility Property Tax Impounds	9,707	2,433
Property Tax Prior Secured General	8,791	1,345
Property Tax Prior Unsecured General	1,677	257
Homeowners Property Tax Reduction	54,299	8,301
Total	\$5,832,789	\$1,118,330

Source: City of Roseville Redevelopment Agency Basic Component Unit Financial Statements

Tax Increment Passthrough Payments to Taxing Agencies

Redevelpment Agency Passthrough Payments

	Original Plan	Flood Plan
	Area	Area
Placer County (H&S Code 33401)	1,248,000	
Placer County (H&S Code 33607)		77,368
City of Roseville (H&S Code 33607)		36,619
School Districts (H&S Code 33401)	410,826	
School Districts (H&S Code 33607)		98,125
Community College District (H&S Code 33401)	69,514	
Community College District (H&S Code 33607)		15,852
School Districts (H&S Code 33676)		30,706
Special Districts (H&S Code 33607)		2,562
Total	\$1,728,340	\$261,232

 $Source: State\ of\ California\ Controller's\ Report-City\ of\ Roseville\ Redevelopment\ A\ gency$

Capital Improvement Project Expenditures

Redevelpment Agency Capital Improvement Projects Expenditures

	Original Plan	
	Area	
Historic District Streetscape	385,592	
Riverside Avenue Streetscape	3,543,835	
Vernon Street Parking Structure	176,484	
Washington Boulevard Underpass	117,279	
Vernon Street Capital Improvement Project	18,904	
Washington Blvd/Gallilee USPS site	12,128	
110 Lincoln / Future Fire Station Property Acq	251,783	
Roseville Automall Façade Improvements	203,183	
Total	\$4,709,187	
Source: City of Roseville Redevelopment Agency Basic Component Unit Financial Statements		

III. ACTIVITIES AFFECTING HOUSING AND DISPLACEMENT

Households Displaced

No households were displaced in the 2008/2009 fiscal year within the Redevelopment Plan Project Area or the Redevelopment Flood Control Project Area. However, due to the Agency's acquisition of Brookwood Apartments (115 Linda Drive) on December 18, 2008, there were six (6) households displaced during the previous fiscal year (January through March 2008). As such, a Tenant Relocation Plan as well as Replacement Housing Plan was developed to address both the tenants affected by displacement as well as strategy to replace the housing units determined to be affordable to lower income households. Through the assistance of Overland, Cutler and Pacific, the affected tenants were given the proper relocation assistance. The Replacement Housing Plan identified the Siena Apartments as a future site to accommodate the replacement housing of those units lost through the ultimate demolition of Brookwood Apartments.

Households to be Displaced

No households are planned to be displaced during the 2009/2010 fiscal year, due to acquisition of property by the Agency.

Units Destroyed or Removed

Eight (8) housing units were destroyed or removed through activities of the Agency during the 2008/2009 fiscal year, due to the demolition of the Brookwood Apartments October 2008.

Status of Low and Moderate Income Housing Fund

The Low and Moderate Income Housing Fund was established during the 1989-1990 fiscal year and is funded by transferring 20% of all Tax Increment funds received by both Redevelopment Plan Areas. The initial contribution to this fund for the Flood Control Project Area was required during the 1999-2000 fiscal year. A total of \$1,155,585 was transferred during the 2008-2009 fiscal year from the Redevelopment Plan area and a total of \$221,990 was transferred from the Flood Plan area. See Section V., Achievements, which identifies the homeownership programs and financial assistance given to low-income rental housing development for the 2008-2009 fiscal year.

Historic Assistance in Development of Affordable Rental Housing

The Agency has previously assisted the following complexes, using Low-Moderate Housing funds and \$259,183 borrowed from the Home Improvement Fund, resulting in the creation of the below listed rental units affordable to very low and low income households:

- Manzanita Place*, a 63-unit senior complex constructed by The Volunteers
 of America with assistance from the Department of Housing and Urban
 Development (HUD), the City of Roseville and the Roseville Redevelopment
 Agency. Rents must be affordable to low and very low income households.
 Manzanita Place was completed in February 1991.
- Maidu Village I*, an 80-unit senior apartment complex, built by Project Go with the assistance of the City, the Redevelopment Agency, developers, and various lending institutions. The occupants must have low incomes equal to 60% or less of the median income as defined by HUD (low income). Maidu Village I was completed in November 1991.
- Sutter Terrace Senior Apartments, a 100-unit apartment complex providing
 affordable housing for senior low-income households. St. Anton partners
 and Nehemiah Progressive Housing Development Corp developed the
 apartment complex. The project was financed with low-income housing tax
 credits and tax-exempt bonds. Deferred fees were provided by the City of
 Roseville and a loan from the Roseville Redevelopment Agency. The
 project was completed in March 1998.
- Maidu Village II, an 84-unit senior complex, built by Project Go. The project
 was financed through Low Income Housing Tax credits and tax exempt
 bonds. Agency staff assisted in the development through processing a fee
 deferral request (\$669,165) without accrual of interest until Certificate of
 Occupancy, through the City of Roseville's Fee Deferral Program. The
 occupants must have incomes equal to or less than 60% of the median
 income as defined by HUD (low income). The project was completed
 February 2000.
- Crocker Oaks, a 131-unit apartment complex, with 118 units affordable to low and very low-income households. The project was built by St. Anton

Partners and financed with Low Income Housing Tax Credits, tax exempt bonds and also received assistance from the City of Roseville and Redevelopment Agency in the form of a loan. The Crocker Oaks project was completed in 2002.

- Highland Creek Apartments, a 184-unit apartment complex affordable to low income families. Highland Creek Associates and Community Revitalization and Development Corporation developed the apartment complex. The project was financed using Low Income Housing Tax Credits and tax exempt bonds. In addition, the project was provided a fee deferral by the City of Roseville and a loan/grant from the Redevelopment Agency. The project was completed summer 2002.
- State Hotel, a 15-unit, mixed use development providing affordable rental
 housing to very low-income households. The private owner substantially
 rehabilitated the structure, which had been non-occupied for over 10 years
 as a 26 unit Single Room Occupancy site. The Agency assisted with a
 combination grant/loan for rehabilitation, with the owner providing his own
 private financing for the balance of the project. The project was completed
 June 2003.
- Maidu Village, Phase III, a 75-unit senior complex developed by Project Go with the assistance of the City of Roseville and Redevelopment Agency in the form of deferral of impact fees and loan for impact fees. Low Income Housing Tax Credits and tax exempt bonds also financed this project. Rents must be affordable to very low and low-income households (50% and 60% median incomes). The project was completed and received its Certificate of Occupancy July 1, 2005.
- Roseville Home Start a 27-unit transitional housing complex for homeless families with children, located in the Redevelopment Project area, was assisted with their substantial rehabilitation of the facility, using multiple sources including Redevelopment Agency Low/Mod funds. Although no rent is charged for occupancy the households living at the facility must be very low income (50% of median income). The residential component of the project was completed and received its Certificate of Occupancy June 14, 2006. The last payment of their \$500,000 loan was paid out during 2006/07 fiscal year.

(* Projects assisted before enabling state legislation [AB 1290] was effective, January 1, 1994 would allow Agency to count as "inclusionary housing units" on a "two for one" basis as affordable housing credit for units developed outside of the project area.)

Compilation of Annual Reports Including Low Income Units

Since the creation of the Redevelopment Agency of the City of Roseville, the Agency has provided assistance through the Low and Moderate Income Housing Fund (LMIHF) resulting in development of 746 rental units affordable to low income households. In addition, the Agency has provided assistance through the LMIHF to 66 middle-income households and 83 low-income households for purchase units.

Monitoring of the rental units was performed in the third and fourth quarter of 2008. Continuous monitoring of the purchase units was performed throughout the fiscal year of 2008/09 both with the current owners of the individual housing units (to ensure continued owner occupancy), as well as the developers which are building out their subdivisions. The results of these monitorings found the majority of units are in compliance with the applicable Affordable Housing Development Agreements, Regulatory Agreements, Owner Participation Agreements and/or Deed restrictions.

Two apartment communities had unresolved findings as a result of their monitoring. The two complexes which were out of compliance in the 2005 on site monitoring have been reviewed by the Agency's legal counsel for advice on next steps regarding actions, in order to ensure compliance with their respective affordability agreements. As Agency staff is continuing to work with these two apartment communities to resolve the monitoring findings, the results of all rental housing monitoring will be coming before the Agency/City Council in the next fiscal year, which will combine both the 2008 and 2009 monitoring report. (Please note, the number of units identified is the total number assisted by the Redevelopment Agency and does not reflect the "two for one" inclusionary housing credit calculation for assistance given to projects outside the project area, nor the inability to count as inclusionary housing, units assisted outside of the project area before enabling state legislation was effective January 1, 1994).

IV. ACHIEVEMENTS

2008-2009 Fiscal Year Achievements – Redevelopment Plan Project Area

The primary Agency objectives for the 2008/2009 fiscal year were: a continuation of the Façade Rebate program; completion of the Downtown Specific Plan, Downtown Code and Environmental Impact Report; implementation of the Invest Downtown Economic Assistance program; major strides towards completing the Riverside Streetscape and Infrastructure project; and, the completion of several key housing goals (increasing, improving and/or preserving affordable housing for low and moderate income households). The following provides the status of the projects and programs undertaken:

STATUS OF FY 2008 – 2009 GOALS AND OBJECTIVES REDEVELOPMENT PLAN PROJECT AREA

COMMERCIAL ACTIVITY	STATUS
Façade Rebate Program	Five new façade grants were awarded and
	subsequently completed in 2008-2009. The total
	amount awarded to these various projects was
	\$105,000. These funds then leveraged an estimated
	total improvement of \$350,000.

COMMERCIAL ACTIVITY	STATUS
Downtown Specific Plan	The Downtown Specific Plan, Downtown Code and Environmental Impact Report were adopted and approved in April of 2009 following the completion of nine public hearings. The various components of the plan are currently being implemented by both the Agency in the form of public capital projects and by the private sector with the improvement and start up of new businesses in the Downtown.
Invest Downtown Economic Assistance Program	Following a public out-reach component that took place in FY 2007-2008 the Agency and the City have compiled a program that addresses the financial assistance, regulatory streamlining and development process to assist re-habilitation projects within the Downtown. This program is currently being implemented.
Riverside Streetscape and Infrastructure Project	This project broke ground in October of 2008. The project includes a streetscape enhancement program as well as an infrastructure upgrade to support future development. Total investment in the project is estimated at \$10 million dollars. The project is approximately 95% completed.

HOUSING ACTIVITY	STATUS
First Time Home Buyer Down Payment Assistance	One (1) homebuyer was assisted using the RDA/Low Mod funds as "match" with HOME Program funding.
Victoria Station – Home Buyer Assistance	Six (6) homebuyers were assisted with up to \$100,000 in down payment assistance to purchase homes within Victoria Station, a 48 unit single family subdivision located in the Agency's project area.
Siena Apartments	St. Anton Partners completed construction of the 154 unit, multi-family, 100% affordable complex, receiving their certificate of occupancy July 2009. The Agency assisted with payment of impact fees for the project in the prior fiscal year.
Eskaton Roseville Manor	The City was awarded HOME funds (federal) in the last fiscal year to assist in the creation of 48 affordable units for very low income seniors (Eskaton Roseville Manor) in the amount of \$3.4 million. On June 10, 2009 the Agency entered into the required Regulatory Agreement securing affordability for a 55 year term and providing \$500,000 in addition subsidy for construction. A substantial funding source is the federal Section 202 program, which will not only provide construction financing, but ongoing rental assistance. Construction began June 2009.

2008-2009 Fiscal Year Achievements – Redevelopment Flood Plan Project Area

No activity has taken place in the Flood Control Project area since January of 2003

End of Report