

REDEVELOPMENT AGENCY

Kathleen Thomas

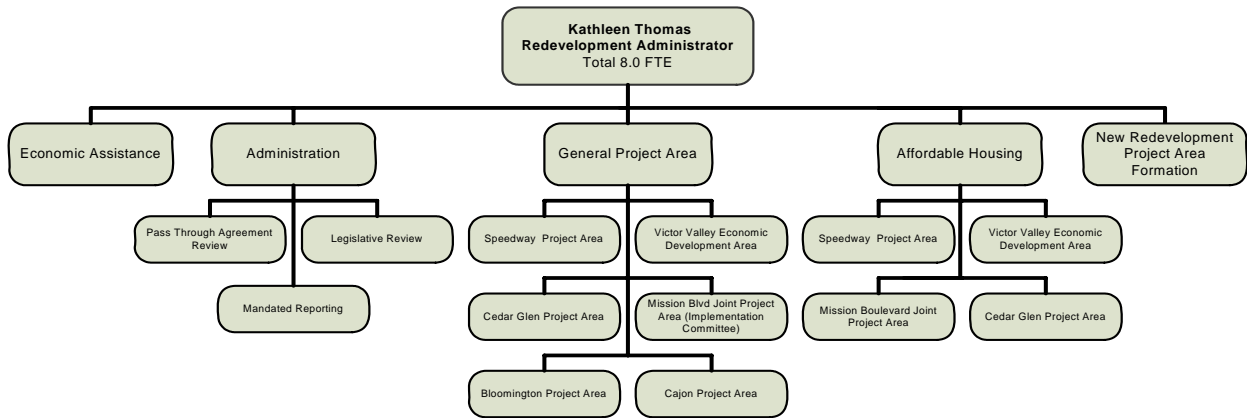
MISSION STATEMENT

The county’s Redevelopment Agency serves to improve economic opportunities and affordable living conditions within established redevelopment project areas in the unincorporated county through the effective and efficient utilization of California Redevelopment Law, appropriate use of tax increment revenues and cooperative programs with other county agencies and communities.

STRATEGIC GOALS

1. Elimination and Prevention of blighted conditions within unincorporated areas of the county.
2. Retention of business currently located within project areas.
3. Promote Economic Development in project areas through attraction of new business.
4. Rehabilitation of affordable housing for low and moderate-income households benefiting project areas.
5. Augmentation of the supply of low and moderate housing benefiting project areas.

ORGANIZATIONAL CHART



SUMMARY OF PROJECT AREAS

	2006-07			
	Appropriation	Revenue	Fund Balance	Staffing
Speedway Project Area	63,610,971	9,703,950	53,907,021	8.0
Cedar Glen Project Area	10,073,190	119,000	9,954,190	-
VVEDA Project Area	1,006,281	138,000	868,281	-
Mission Blvd. Redevelopment Joint Project Area	120,619	42,765	77,854	-
Proposed Bloomington Project Area	151,635	5,000	146,635	-
Proposed Cajon Project Area	229,938	5,000	224,938	-
TOTAL	75,192,634	10,013,715	65,178,919	8.0

Detailed information for each project area is provided, along with a description of the services, budget unit history and applicable performance measures.



Speedway Project Area

DESCRIPTION OF MAJOR SERVICES

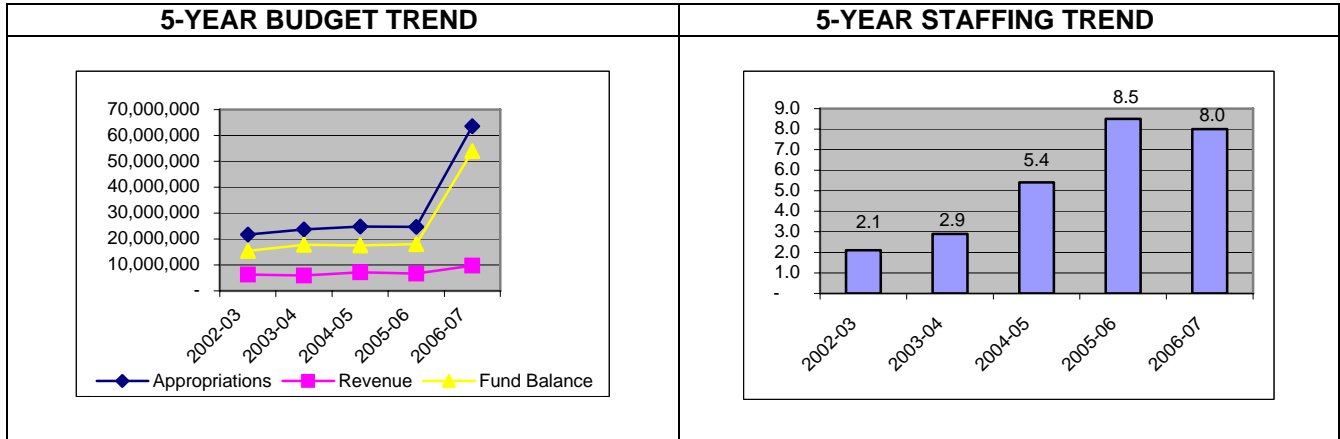
In 1995, the entire former Kaiser Steel site and other blighted industrial property in its vicinity were incorporated into the Speedway Redevelopment Project Area (formerly known as San Sevaine Project Area). The major objectives of the project area are to encourage private sector investment in the development and redevelopment of the area by removing impediments to growth, eliminating and/or preventing the spread of blight and deterioration, and correcting infrastructure deficiencies. An amendment to the Speedway Project Area was adopted in November 2004, expanding the area by approximately 40% and approving other administrative changes. A second amendment to the project area was adopted on November 1, 2005, reducing the project area by 15%. This amendment was done to allow the City of Fontana to proceed with plans to incorporate the area removed from the project area.

On November 15, 2005, the Board of Supervisors/Directors approved the issuance of approximately \$58,275,000 in tax allocations bonds and approved the refunding of the 2000 bonds issued in January 2000. Net proceeds from the sale of these bonds of \$34,650,935 (general operating funds \$25,431,395; housing funds \$9,219,540) will be used to finance infrastructure improvements within the Speedway Project Area and provide affordable housing.

Included in this project area are housing funds, which are used to conserve and/or expand the supply of affordable housing to low and moderate-income households. Based on regulations 20% of the gross tax increment revenues are set aside and used for affordable housing.

Redevelopment Agency administrative costs, including all staffing costs for the Redevelopment Agency, are accounted for in this project area, but are allocated to the other project areas based on time studies.

BUDGET HISTORY



PERFORMANCE HISTORY

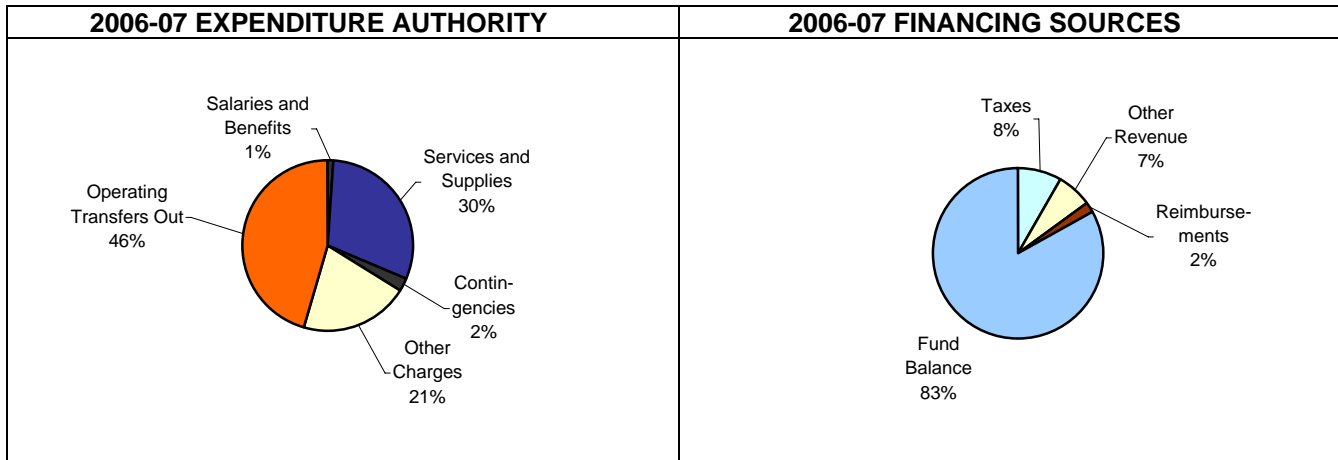
	2002-03	2003-04	2004-05	2005-06	2005-06
	Actual	Actual	Actual	Modified	Actual
	Actual	Actual	Actual	Budget	Actual
Appropriation	4,865,665	10,200,861	9,387,758	25,320,456	6,243,814
Departmental Revenue	7,198,162	8,325,849	9,796,641	7,286,275	43,657,573
Fund Balance				18,034,181	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, actual expenditures in these funds are typically less than budgeted. The amount not expended in 2005-06 has been re-appropriated in the 2006-07 budget.

San Sevaine Bond Series 2005 A was funded in December, 2005 with net proceeds of \$34,650,935. General projects to be undertaken with these bond proceeds include work on the Etiwanda/San Sevaine Flood Control Channel (South), West Fontana Flood Control Channel, road work on the Cherry/I-10 interchange, road construction on Cherry and San Bernardino Avenues, the construction of a fire station, land acquisition, and economic incentives for business acquisition within the project area. Proceeds allocated for housing projects will be used for land acquisition, mortgage write downs, residential rehab grants, and affordable housing development assistance.



ANALYSIS OF FINAL BUDGET



GROUP: Economic Development
DEPARTMENT: Redevelopment Agency
FUND: Speedway Project Area

BUDGET UNIT: DBR, SPD, SPE, SPF & SPH
FUNCTION: General
ACTIVITY: Other General

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2005-06 Final Budget	2006-07 Final Budget	Change From 2005-06 Final Budget
Appropriation							
Salaries and Benefits	177,978	191,736	349,242	637,585	702,911	800,960	98,049
Services and Supplies	274,484	1,511,268	2,308,372	1,072,206	14,640,294	19,514,103	4,873,809
Central Computer	1,009	558	317	145	142	4,418	4,276
Other Charges	1,474,234	1,583,359	1,648,769	1,909,571	1,637,635	3,851,592	2,213,957
Land and Improvements	-	-	-	2,666,186	258,338	4,500,000	4,241,662
Equipment	-	-	-	14,388	-	-	-
Transfers	605,268	3,908,034	471,924	454,027	2,758,820	5,078,848	2,320,028
Contingencies	-	-	-	-	1,603,077	1,603,077	-
Total Exp Authority	2,532,973	7,194,955	4,778,624	6,754,108	21,601,217	35,352,998	13,751,781
Reimbursements	(312,538)	(302,294)	(202,237)	(719,979)	(415,015)	(1,188,998)	(773,983)
Total Appropriation	2,220,435	6,892,661	4,576,387	6,034,129	21,186,202	34,164,000	12,977,798
Operating Transfers Out	2,645,230	3,308,200	4,811,371	209,685	3,539,114	29,446,971	25,907,857
Total Requirements	4,865,665	10,200,861	9,387,758	6,243,814	24,725,316	63,610,971	38,885,655
Departmental Revenue							
Taxes	4,049,874	4,735,235	4,661,700	12,785,281	4,885,000	5,395,500	510,500
Use of Money and Prop	499,309	356,437	396,409	1,185,010	219,000	511,100	292,100
State, Fed or Gov't Aid	-	217	170	3,818	-	-	-
Current Services	-	-	(73,009)	(106,996)	-	-	-
Other Revenue	3,749	760	-	(5,110,390)	-	-	-
Other Financing Sources	-	-	600,000	34,691,165	-	-	-
Total Revenue	4,552,932	5,092,649	5,585,270	43,447,888	5,104,000	5,906,600	802,600
Operating Transfers In	2,645,230	3,233,200	4,211,371	209,685	1,587,135	3,797,350	2,210,215
Total Financing Sources	7,198,162	8,325,849	9,796,641	43,657,573	6,691,135	9,703,950	3,012,815
Fund Balance	-	-	-	-	18,034,181	53,907,021	35,872,840
Budgeted Staffing	-	-	-	-	8.5	8.0	(0.5)

In 2006-07, the department will incur increased costs to maintain current services, such as negotiated labor agreements, retirement, risk management, central computer and inflationary services & supplies purchases; and will incur decreased costs in worker's compensation. These costs are reflected in the Change From 2005-06 Final Budget column, along with changes related to department recommendations.

Services and supplies has increase by approximately \$6.0 million for housing programs and road improvements, offset by a decrease in fund balance of approximately \$3.0 million. Land and improvements have increased as a result of the voluntary land purchase program for the Rosemary/Iris properties located in the project area. Transfers to other county departments have increased by \$2.3 million primarily for road and flood control projects. Operating transfers out has increased by \$20 million as a result of the bond proceeds budgeted in 2006-07; however the expenditures will take place in future fiscal years. Other increases included in operating transfers out are for a fire station and debt services payments.



The budgeted revenue reflects an anticipated increase in tax increment revenue of \$510,500 and in interest revenue of \$292,100. In addition, operating transfers in have increased as a result of the debt service payments for the Series 2005 A bonds.

FINAL BUDGET CHANGES

The following final budget changes were made:

- The Board approved an appropriation increase of \$44,158 in salaries and benefits for the addition of 1.0 Redevelopment Analyst II position at \$89,409, which will be offset by the elimination of two part-time (1.5 FTE) Graduate Student Intern positions (\$45,251).
- The Board approved an appropriation decrease of \$44,158 in services and supplies to fund the new Redevelopment Analyst II position.
- Services and supplies increased by \$1,900,799 due to fund balance being higher than anticipated.
- Other charges decreased by \$40,758 due to fund balance being lower than anticipated.
- Transfers increased by \$16,500 due to fund balance being higher than anticipated.
- Operating transfers out increased by \$196,470 due to fund balance being higher than anticipated.

PERFORMANCE MEASURES		
Description of Performance Measure	2005-06 Actual	2006-07 Projected
Complete development standards for each project area within 12 months after the project area adoption.	N/A	100%
Process reimbursement of the agreed upon capital projects within 10 business days.	N/A	70%
Complete investigation of code enforcement complaints within 5 days of receipt.	N/A	70%
Achieve compliance with Code Enforcement directive within 30 days.	N/A	25%
Complete initial review of financial requests within 30 days.	N/A	75%
Provide assistance packages that retain viable and eligible business.	N/A	For 60% of requests received
Set meeting with other applicable county department and businesses within 15 days of request for assistance.	N/A	80%
Develop business retention assistance package.	N/A	For 60% of requests received
Number of direct and indirect marketing efforts.	N/A	10% Increase



PERFORMANCE MEASURES		
Description of Performance Measure	2005-06 Actual	2006-07 Projected
Complete initial reviews of financial assistance requests within 30 days of receipt.	N/A	75%
Provide assistance packages that attract viable and eligible new business.	N/A	For 30% of requests received
Complete initial review of submitted applications within 90 days.	N/A	90%
Process eligible applications within 6 months.	N/A	90%
Complete projects with final approval within 1 year.	N/A	75%
Complete initial review of submitted applications within 90 days.	N/A	90%
Process eligible applications within 6 months.	N/A	90%
Complete projects with final approval within 1 year.	N/A	75%
Complete initial review of submitted applications within 90 days.	N/A	90%
Process eligible applications within 1 year.	N/A	80%
Complete projects with final approval within 2 years of compliance of applicant.	N/A	75%
Complete initial review of submitted applications within 90 days.	N/A	90%
Process eligible applications within 6 months of receipt of completed application.	N/A	80%

