

REDEVELOPMENT AGENCY

Unit Number: 136110, 136120, 610110,
610115, 610120, 611100, 612200

Fund:
Function:
Activity: Redevelopment
Land Use
Redevelopment

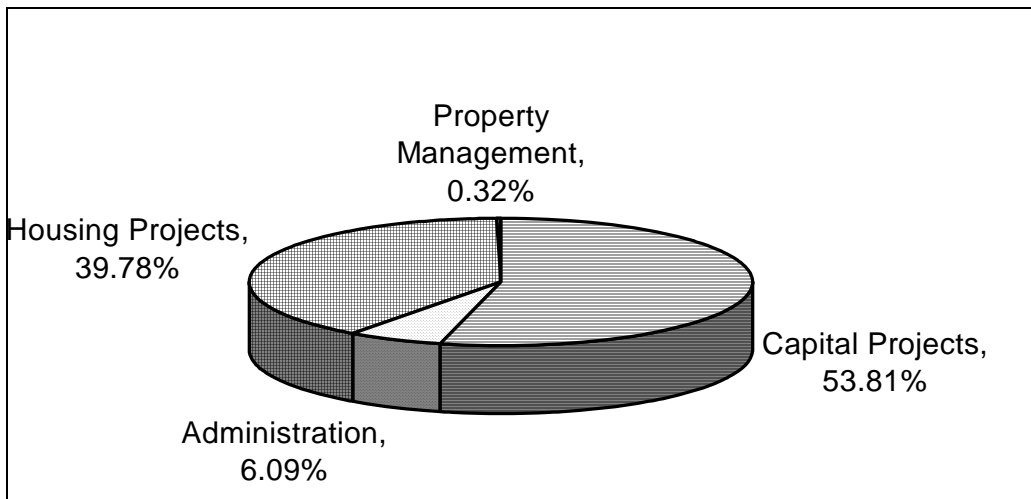
Expend. Category	Actual 2007-08	Approp. 2008-09	Est. Actual 2008-09	Request 2009-10	Recom. 2009-10	Recom. Change
Capital Proj.	\$18,810,270	\$57,438,705	\$34,372,039	\$49,643,675	\$49,643,675	(\$7,795,030)
Hsng. Proj.	9,938,050	40,615,861	16,334,338	36,695,265	36,695,265	(3,920,596)
Prop. Mgmt.	163,412	305,000	216,713	296,400	296,400	(8,600)
Admin.	<u>3,464,026</u>	<u>4,562,736</u>	<u>4,234,294</u>	<u>5,618,712</u>	<u>5,618,712</u>	<u>1,055,976</u>
Total	\$32,375,758	\$102,922,302	\$55,157,384	\$92,254,052	\$92,254,052	(\$10,668,250)
Positions	13.00	14.00	14.00	27.00	27.00	13.00

The Redevelopment Agency (RDA) was established to improve public infrastructure and facilities, assist in business development and to preserve existing and expand affordable housing opportunities. The Agency is in the 22nd year of implementing its redevelopment plan for the Live Oak and Soquel area and has until 2027 to complete project area activity. While public improvements are focused within the Live Oak and Soquel Project Area, the Agency's housing programs are county-wide and provide funding assistance throughout the unincorporated area. The Agency coordinates its activities with assistance from a number of other County departments, including Parks, Public Works, Planning, Human Services, County Counsel and the County Administrative Office. While some specific redevelopment activities are discussed in individual departmental budget descriptions (as part of the County Budget), the financing for all of the Agency's activities is included in the budgets presented in this document.

PROPOSED BUDGET

Figure 1 below provides an overall summary of the Agency's proposed 2009-10 expenditures. As in previous years, most of the available funds are proposed to go toward projects and related debt service, with approximately 6% allocated for administration.

Figure 1: Breakdown of Proposed RDA Expenditures
2009-10 Fiscal Year



STAFFING

The Redevelopment Department provides overall coordination and administration of the Agency's various capital projects and activities as well as overall Agency administration. As the result of actions taken as part of adoption of the FY 2004-05 budget, the Agency's housing programs have been transferred to the Planning Department providing for a more coordinated and integrated effort to address county-wide affordable housing issues. With this reorganization, the Agency continues to fund low and moderate income housing programs and projects, including administrative costs. The Redevelopment Agency remains responsible for accounting of Agency expenditures, compliance with State law requirements, and financial and programmatic reporting, as well as the Agency's capital project function of the Live Oak and Soquel Project Area. Work tasks include: coordination of technical design and public involvement for Agency-sponsored projects; real property negotiations, acquisitions, and management; coordination with other non-RDA funded capital projects within the redevelopment area; facilitation of community design activities; direction of economic revitalization activities; and Agency administration.

Additional staff is recommended in order to provide sufficient staffing levels to meet current project commitments, to expand economic development activities, and to improve the Agency's ability to respond to new projects and requests. These new positions may provide landing places for qualified County employees whose positions are being eliminated. It is recommended that positions be phased in over a twelve month time period. This will allow for immediate staffing needs for current projects and new economic development activities to be addressed first, with additional staff added once the first phase of hiring is complete and new hires are trained. Staff plans to bring the budget requests necessary to fund space and equipment costs associated with the new positions to your Board as soon as that information is developed. Details of the Department's existing and proposed staffing are presented in Figure 2 below. Proposed expansion of economic development activities is discussed further on page 10.

Figure 2: Redevelopment Agency Staffing						
Position Classification	Salary Code	Allow 2008-09	Actual 2008-09	Request 2009-10	Recom. 2009-10	Recom. Change
Agency Administrator	YS	1	1	1	1	0
Capital Impr Prog Mgr	D7	1	1	4	4	3
Redevelopment Project Mgr	MY	5	5	13	13	8
Urban Designer	YK	1	1	2	2	1
Admin. Services Officer I-II	N4, PR	1	1	1	1	0
Asst/Sr/Dept Admin Analyst	M8, LL, PM	1	1	1	1	0
Asst/Dept Admin Analyst	M8, PM	1	1	1	1	0
Administrative Aide	LO	1	1	1	1	0
Sr Accounting Technician	JL	1	1	1	1	0
Accounting Technician	V2	0	0	1	1	1
Secretary	YA	1	1	1	1	0
TOTAL		14	14	27	27	13

GENERAL ADMINISTRATIVE BUDGET SUMMARY

Revenues to support both the General Redevelopment Administration budget – Index Number 610110 and the Housing Program Administration budget – Index Number 610120, are provided from the Capital Projects and Low and Moderate Income Housing Tax Increment Funds, Index Numbers 136110 and 136120, respectively (discussed later). Both administrative budgets include costs for the Redevelopment Department as well as administrative expenses from other County departments,

including the Auditor-Controller, Planning, Public Works, County Administrative Office, County Counsel, and Treasurer-Tax Collector. Other indirect County costs related to activities of the Agency are recovered through County overhead charges. Staff time from other departments to support technical services for specific Agency projects is charged directly to the Capital Projects and Low and Moderate Income Housing Funds, Index Numbers 611100 and 612200, respectively, which contain the proceeds from the Agency's various bond issues. Revenues and expenses for the Agency's Property Management activities are separately budgeted in Index Number 610115. A detailed listing of requested fixed assets is included in Attachment 1. However it is anticipated that staff will request additional fixed asset appropriations to fund equipment and workstations for proposed new hires at a later time.

INDEX NUMBER 610110 – GENERAL REDEVELOPMENT ADMINISTRATION

Expenditures	Actual 2007-08	Approp. 2008-09	Est. Actual 2008-09	Request 2009-10	Recom. 2009-10	Recom. Change
Admin. Services	\$1,740,792	\$2,101,126	\$1,879,678	\$2,864,973	\$2,864,973	\$763,847
Prof. Svcs.	87,098	220,280	169,934	235,105	235,105	14,825
Acct. Svcs.	8,584	26,000	11,175	25,175	25,175	(825)
Legal Services	3,114	70,000	48,773	70,000	70,000	0
DPW Services	87,736	90,000	90,183	90,000	90,000	0
Plan & Design	46,774	210,600	304,518	325,123	325,123	114,523
Acq. Expense	41,370	166,550	21,496	166,550	166,550	0
Oper. Acq. Prop.	20,081	0	0	0	0	0
Fixed Assets	0	5,000	1,558	10,000	10,000	5,000
Oper Trnsfr Out	0	0	0	0	0	0
ADMIN.						
SUBTOTAL	\$2,035,549	\$2,889,556	\$2,527,315	\$3,786,926	\$3,786,926	\$897,370
Misc. Revenue	(178)	(100)	(50)	(100)	(100)	0
NET ADMIN.						
COSTS	\$2,035,371	\$2,889,456	\$2,527,265	\$3,786,826	\$3,786,826	\$897,370

INDEX NUMBER 610120 – HOUSING PROGRAM ADMINISTRATION

Expenditures	Actual 2007-08	Approp. 2008-09	Est. Actual 2008-09	Request 2009-10	Recom. 2009-10	Recom. Change
Admin. Services	\$0	\$10,309	\$10,309	(\$4,735)	(\$4,735)	(\$15,044)
Prof. Svcs.	1,560	50,000	50,000	50,000	50,000	0
Acct. Svcs.	0	0	0	0	0	0
Legal Services	43,778	65,000	65,000	65,000	65,000	0
DPW Services	2,150	0	0	0	0	0
Plan & Design	1,381,170	1,547,970	1,581,721	1,721,620	1,721,620	173,650
Acq. Expense	0	0	0	0	0	0
Oper. Acq. Prop.	0	0	0	0	0	0
Reloc. Payments	0	0	0	0	0	0
Fixed Assets	0	0	0	0	0	0
ADMIN.						
SUBTOTAL	\$1,428,658	\$1,673,279	\$1,707,030	\$1,831,885	\$1,831,885	\$158,606
Misc. Revenue	(2)	0	(1)	0	0	0
NET ADMIN.						
COSTS	\$1,428,656	\$1,673,279	\$1,707,029	\$1,831,885	\$1,831,885	\$158,606

2009-2010 Recommended Budget

The 2009-2010 recommended budget provides for a net increase of \$897,370 in expenditures in the General Redevelopment Administration Fund and a net increase of \$158,606 in expenditures in the Housing Program Administration Fund. These expenditures are funded by revenues from the Tax Increment Funds. The recommended budget includes a reduction of 7.5% in salaries and benefits for unrepresented and middle management employees in the Redevelopment Agency as a result of a 156 hour annual furlough effective July 1, 2009.

Expenditures

The recommended increase of \$897,370 in administrative costs in the General Redevelopment Administration Fund is primarily the result of increased employee salary and benefit costs associated with hiring new staff, as well as some increases resulting from increased utilization of Planning Department staff to support redevelopment activities.

The recommended increase of \$158,606 in administrative costs in the Housing Program Administration Fund is primarily the result of costs associated with completing the Housing Element rezoning program.

Revenues

The recommended budget includes an increase of \$897,370 in revenues to the General Redevelopment Administration Fund and an increase of \$158,606 in revenues to the Housing Program Administration Index. The increase to the General Redevelopment Administration Fund is the result of an increase of revenues transferred from the Capital Projects Tax Increment Fund, and the increase to the Housing Program Administration Index is the result of an increase of revenues transferred from Low and Moderate Income Housing Tax Increment Fund. Both tax revenue funds are presented later in this budget report.

INDEX NUMBER 610115 – PROPERTY MANAGEMENT

Expenditures	Actual 2007-08	Approp. 2008-09	Est. Actual 2008-09	Request 2009-10	Recom. 2009-10	Recom. Change
Designation	35,899	74,492	74,492	0	0	(74,492)
Property Exp.	163,412	305,000	216,713	296,400	296,400	(8,600)
TOTAL	\$199,311	\$379,492	\$291,205	\$296,400	\$296,400	(\$83,092)
Revenues						
Property Income	217,307	195,060	179,874	126,950	126,950	(68,110)
Cancel Reserve		44,746	44,746	96,349	96,349	51,603
Avail. Fund						
Balance	121,689	139,686	139,686	73,101	73,101	(66,585)
TOTAL	\$338,996	\$379,492	\$364,306	\$296,400	\$296,400	(\$83,092)

The Property Management budget, Index Number 610115, was created a number of years ago in order to separate general administrative costs from property income and maintenance expenses. This allows accumulated excess property-related revenues to be used for other redevelopment purposes. A minor decrease in maintenance expenses is recommended in FY 2008-09. A decrease in rental income is expected as some structures have been vacated and will be removed to make way for planned park improvements.

AGENCY ACCOMPLISHMENTS AND GOALS

FY 2008-2009 Accomplishments

Building on the results of past efforts, a number of projects were completed during the past year throughout the Live Oak-Soquel area. To date, significant progress has taken place in a number of areas, including: development of technical base studies and area-wide plans, construction of public safety projects and parks, acquisition of key sites, installation of beautification improvements, and business support activities. These activities are summarized in Figure 3. In addition, the Agency funds the preservation, rehabilitation, and construction of affordable housing. These projects are described in the narrative of Index Number 612200. A more detailed description of the specific accomplishments during the past year in non-housing program areas follows.

<p>Figure 3: Redevelopment Capital Project Activities Completed To Date Live Oak and Soquel Project Area</p>	
<p>CAPITAL IMPROVEMENT PROJECTS</p>	
<p><u>Parks and Community Facilities:</u></p> <ul style="list-style-type: none"> • Twin Lakes Park • Willowbrook Park • The Hook Beach Parking Lot & 41st Avenue Pedestrian Access • Upper Soquel Creek & Main Street Pedestrian Bridges • Animal Services Facility • Live Oak Sheriff Center on 17th Avenue • Anna Jean Cummings Park • Hestwood Park • Simpkins Swim Center/Live Oak Community Center • Jose Avenue Park & Harper Court Pedestrian Bridge • Interim & New Expanded Live Oak Library 	
<p><u>Drainage Improvements:</u></p> <ul style="list-style-type: none"> • Avenues Drainage Project (Phases 1 & 2) • Mission Drive Drainage Improvements • Winkle Avenue/Prather Lane Park Drainage • Garden & 38th Avenue Drainage and Sidewalk Infill • 17th Avenue Drainage Improvements • Thurber Channel Drainage Project • 14th Avenue to Bonita Lagoon Drainage • Venice Drive Drainage Improvements • Roland Drive and 35th Avenue Drainage Improvements • 16th Avenue Drainage Improvements 	
<p><u>Road and Sidewalk Improvements:</u></p> <ul style="list-style-type: none"> • Soquel Dr. (Soquel Village) & Bridge Replacement • 17th Avenue Improvements (Phase I, II, and III) • Chanticleer Avenue Improvements (Soquel Avenue to Kinsley Street) • Lower Porter Street Improvements • East Cliff Dr. Improvements (East Cliff Village Area) • Upper 14th Avenue Improvements • Jose Avenue Sidewalk Infill Project • Brommer Street (7th to 17th Avenues) • Alice/Corcoran Street Improvements • Rodriguez Street Improvements • 7th Avenue (East Cliff Drive to Capitola Road) • Kinsley Street Improvements • Upper Porter Sidewalk Infill • Capitola Avenue Improvements • 30th Avenue Improvements (Portola Dr to Brommer St) • Soquel Drive Signal Projects • 2008 Sidewalk Infill (S. Rodeo, Soquel Dr at Paul Sweet, 24th Avenue) • Soquel Drive (Walnut to Porter Gulch) • Sidewalk Infill (Paul Minnie, Merrill St, upper 30th Avenue) • Felt Street Improvements • Gross Road Improvements • Main Street/East Walnut Street Improvements • 30th Avenue Improvements (Portola to East Cliff) • Park Avenue Improvements • Lake/5th Avenues Improvements • Capitola Road (Soquel Ave. to 38th Avenue) • Commercial Way Circulation/Drainage Improvements • East Cliff Drive Emergency Crib Wall Repairs • Soquel Dr Sidewalk Infill (41st to Daubenbiss & at Center Street) • Pleasure Point Improvements (Commercial Area – Lower 41st & Portola Drive) • Portola Dr. Improvements (17th to 26th Avenues) • Pavement Management Projects • Upper 7th Avenue (Soquel Avenue to Capitola Road) 	

ECONOMIC VITALITY PROJECTS AND PROGRAMS	
<ul style="list-style-type: none"> • Soquel Parking and Business Improvement Area • Soquel Village Plan and Soquel 2000 (Plan update) • Pleasure Point Commercial Area Plan • Commercial Way Retail Project • Graffiti Abatement 	<ul style="list-style-type: none"> • Small Business Assistance Program (LEAP) • Soquel Village Public Parking Lots: Walnut Street, Church, & Daubenbiss Ave (on-going) • Felt Street Plaza Commercial Center Rehabilitation • Utility Undergrounding: Soquel Village & Pleasure Point
SPECIAL STUDIES/PROGRAMS AND COMMUNITY DESIGN	
<ul style="list-style-type: none"> • Live Oak Circulation Study & Commercial Way Circulation Study • East Cliff Drive Circulation Alternatives Study • Road Plan Lines (on-going) • Floral Park Master Plan Update • Twin Lakes Beach Front Concept Plan 	<ul style="list-style-type: none"> • Live Oak/Soquel Aerial Photo update • Moran Lake Water Quality & Restoration Study • Live Oak Historic Resources Inventory Update • The Farm Park and Community Center Master Plan • Chanticleer Ave Park Master Plan (final approvals pending)
PROPERTIES ACQUIRED (PENDING REDEVELOPMENT)	
<ul style="list-style-type: none"> • Cunnison Lane/The Farm (future park & community center) • Chanticleer Park Site – (future park) • Porter Street (future connection to Soquel Creek linear park) • Capitola Road Site (commercial site assembly) • East Harper Street Park (future mini-park/housing) • 17th Avenue Resource Center Site (in escrow) 	<ul style="list-style-type: none"> • Heart of Soquel Mobile Home Park (future Soquel Village project) • O'Neill Ranch Commercial Site (top of 41st Avenue) • East Cliff Drive Bluff Top (future park) • 7th Avenue/Brommer Site – Phase 1 (future recreational and visitor serving uses) • Rodriguez Park Site – (future park site assembly)
URBAN FORESTRY PROGRAM AND STREETScape PLANTING PROJECTS	
<ul style="list-style-type: none"> • Urban Forestry Master Plan • Felt Street Volunteer • 17th Avenue • Lower Thurber Lane • Commercial Crossing • Commercial Way • Rodriguez Street Volunteer • Lower 41st Avenue • Portola Drive (17th to 41st Avenues) • Capitola Road • Kinsley Street Volunteer • West Walnut Street Volunteer 	<ul style="list-style-type: none"> • Street Tree Maintenance Program (on-going) • East Walnut Street • Lower Main Street • East Cliff Drive (13th to 17th Avenues) • Lower Porter Street • Park Avenue • 7th Avenue (Soquel Avenue to East Cliff Dr) • Soquel Drive (Soquel Village) • Lake/5th Avenues • Soquel Drive (Walnut Street to Porter Gulch) • Brommer Street (7th to Thompson Street) • Soquel Drive (east of 41st Avenue)

Capital Improvement Projects

While planning and design work was underway on a number of important projects soon to be under construction, the major infrastructure improvements constructed during the past year as part of the County's Capital Improvement Program included upper 7th Avenue Improvements, 17th Avenue Drainage Improvements, the 2008 Sidewalk Infill Project, completion of the Animal Services Facility, renovation of the Simpkins Family Swim Center and Pavement Management. In FY 2008-09, Redevelopment Agency funded construction projects included:

- **2008 Sidewalk Infill Projects.** This is the fourth group of a series of small projects to fill in gaps in the existing sidewalk network. Roadside segments include: the north side of Soquel Drive at Paul Sweet Road, the west side of South Rodeo Gulch Road, and the west side of 24th Avenue south of Felt Street. Construction was completed in the winter of 2008.
- **Upper 7th Avenue Improvements (Capitola Road to Soquel Avenue).** This project completes improvements to 7th Avenue. Improvements include sidewalks along both sides of the street, with bike lanes and two travel lanes; storm drainage improvements;

re-paving; and street tree planting. Re-striping at the Capitola Road intersection will improve stacking. Construction was completed in spring 2009.

- **17th Avenue Drainage Improvements.** Storm drain lines were replaced at the intersection of Capitola Road and 17th Avenue to increase capacity to address localized flooding, and extended up 17th Avenue to serve a drainage area north of Capitola Road. Construction was completed in the fall of 2008.
- **Simpkins Family Swim Center Improvements.** Renovation of locker rooms, a permanent lifeguard room, and other swim center improvements are under construction and anticipated to be complete by the summer of 2009. The Parks Department is managing this renovation with funding from the Agency.
- **East Cliff Drive Bluff Stabilization.** A construction contract for the first phase of a two phase project to stabilize the bluffs and construct parkway improvements along East Cliff Drive in Pleasure Point has been awarded with Agency funding. This project will include construction of stained and sculpted concrete soil nail walls to stabilize the bluffs below East Cliff Drive between 32nd and 36th Avenues and at the end of 41st Avenue. Construction will also include 3 new stairways, as well as removal of rip-rap and concrete rubble from the beach. Construction is underway and planned to be completed in winter 2010.
- **Anna Jean Cummings Park Slide Replacement.** A construction contract to replace the popular hillside slide has been awarded. Construction is anticipated to be complete in the summer of 2009. The Parks Department is managing this project with funding from the Agency.
- **Jose Avenue Park Skate Feature Fence Project.** This project included the installation of a decorative fence enclosure at the skate feature as well as accessibility improvements. This project was managed by the Parks Department with Agency funding and was completed in spring 2009.
- **Animal Services Facility.** This project included the replacement of dilapidated facilities with new Animal Services offices, kennels, and site improvements designed to address neighborhood concerns regarding noise and parking on County-owned property at the corner of 7th Avenue and Rodriguez Street. This project was managed by the County Administrative Office. Construction was completed in fall 2008.
- **Pavement Management.** All or portions of eighteen streets in the project area were reconstructed with Agency funding in FY 2008-09.

In addition, conceptual and engineering design proceeded on many projects scheduled for construction in 2009-10 and later years, including: East Cliff Drive Parkway Improvements, East Cliff Drive Pedestrian Walk (9th to 12th Avenue), East Cliff Drive Pedestrian Walk (17th to 32nd Avenues), Twin Lakes Beach Front (East Cliff Drive 5th to 9th Avenues), Soquel Avenue Improvements (west of 17th Avenue), sidewalk infill projects, the Live Oak Resource Center, the Farm Neighborhood Park and Community Center, Soquel Linear Park and Parking Improvements, and Floral Park Renovation. Agency staff continued to coordinate with Parks staff on a number of RDA funded projects including Felt Street Park, habitat and park improvements at Moran Lake Park, and improvements at Anna Jean Cummings Park.

Economic Vitality Projects and Programs

During the past year, the Agency has continued ongoing assistance programs to provide support, where needed, to local business organizations and projects. Funding was granted to the Santa Cruz County Visitors and Conference Council for on-going activities and for two studies regarding visitor markets and profiles. The Agency continued participation and contributed funding to the Comprehensive Economic Development Strategy for Santa Cruz County for the on-going update and implementation process led by the Workforce Investment Board (WIB). Beginning with an evaluation of the 2006 Business Retention and Expansion Survey results for the RDA Project Area, WIB and RDA staff are following up with project area businesses to better understand current business needs and to identify potential opportunities for RDA small business programs.

Additionally, in an ongoing effort to retain and attract business, Agency staff worked with various representatives of development projects and commercial properties to continue to explore options for future cooperative ventures.

Special Studies/Programs and Community Design

In addition to work on the planning and design of Capital Improvement Projects, Agency staff completed the Twin Lakes Beach Front Concept Design which was approved in August 2008. Agency staff in conjunction with the Parks Department also conducted a series of community workshops for the proposed Chanticleer Avenue Park Master Plan which is currently under consideration by the Parks Commission.

Urban Forestry Program and Streetscape Planting Projects

During 2008-09, efforts focused on the design of projects that will expand the Agency's Urban Forestry Program. Since the Program's inception in 1994, more than 1,806 street trees and related landscaping have been planted. Additionally, Agency staff continues to administer the streetscape maintenance program, funded primarily by County Service Area 9E. Figure 3 provides a list of the streets that have benefited from Streetscape Planting.

Affordable Housing Assistance

In May of 1990, your Board approved the Agency's Affordable Housing Program and Goals with several key objectives:

- Focusing Agency housing funding assistance on projects which benefit a wide range of household incomes;
- Leveraging Agency funds to assure the greatest benefit for the expenditures provided;
- Providing a mix of new construction projects and rehabilitation of existing housing which could be made available to qualifying households; and
- Working with the full range of affordable housing providers to assure that the Agency provides assistance for a variety of affordable housing opportunities.

Since your Board's approval of the Housing Program and Goals, the Agency has been involved in financing housing that is affordable to very low, low and moderate income households, including acquisition and rehabilitation of existing units and new unit construction. With these goals in mind, the Housing Division of the Planning Department continues to pursue a program of creating and retaining affordable housing opportunities, with financing provided by the Agency. A more comprehensive discussion of the Affordable Housing Program is included under Index Number 612200.

FY 2009-2010 Agency Goals

FY 2009-10 will be another year of significant activity for the Agency. The recommended budget proposes funding a combination of community design studies, capital improvement projects, business assistance and economic development activities, and affordable housing assistance projects and programs. Figure 4 provides an overview of the planned non-housing projects and programs; a more detailed narrative description is presented below. Housing activities are described in association with the Agency’s Low and Moderate Income Housing Fund.

Figure 4: Highlights of Proposed 2009-10 Capital Projects Work Program	
CAPITAL IMPROVEMENT PROJECTS FOR 2009-10 CONSTRUCTION	
<ul style="list-style-type: none"> • East Cliff Drive Bluff Stabilization (complete) • Live Oak Resource Center • Anna Jean Cummings Park – Slide Replacement & Parking Lot Improvements (by Parks) 	<ul style="list-style-type: none"> • Felt Street Park (by Parks) • East Cliff Drive Parkway (Pleasure Point) • Floral Park Renovation
CAPITAL IMPROVEMENT PROJECTS UNDER STUDY & DESIGN FOR FUTURE YEAR CONSTRUCTION	
<ul style="list-style-type: none"> • Soquel Avenue Improvements (west of 17th Ave) • Eaton Street Improvements • Moran Lake Habitat and Park Improvements (by Parks) • East Cliff Dr Pedestrian Walk (9th – 12th Ave) • Twin Lakes Beach Front (East Cliff Dr 5th – 9th Ave) • Chanticleer Avenue Park 	<ul style="list-style-type: none"> • Farm Park and Community Center • Cabrillo College Drive • 2010 Sidewalk Infill Projects (Soquel Avenue west of 7th Avenue, Daubenbiss Avenue) • East Cliff Dr Pedestrian Walk (17th – 32nd Ave) • Anna Jean Cummings Park Field & Dog Park Improvements (by Parks)
ECONOMIC VITALITY PROJECTS/PROGRAMS	
<ul style="list-style-type: none"> • Upper 41st Avenue/Soquel Drive Corridor Traffic Study • Key Site Assistance • Identify New Programs and Opportunities 	<ul style="list-style-type: none"> • Coordinate with Planning Dept staff on Opportunity Site Land Use Study (by Planning) • Graffiti Abatement Programs • Business Assistance Programs
COMMUNITY DESIGN/SPECIAL STUDIES/ACQUISITIONS	
<ul style="list-style-type: none"> • Soquel Creek Linear Park and Public Parking Improvements – Soquel Village • Zone 5 Master Plan Update (by Public Works) • Plan Lines (ongoing) 	<ul style="list-style-type: none"> • Feasibility of Solar (Photovoltaic) Systems For Park Facilities (by Parks) • Park Site Acquisitions (ongoing) • RDA Five Year Implementation Plan 2010-2014

Capital Improvement Projects

Those projects scheduled for construction during the next fiscal year are included in Figure 4. A detailed work program for those projects and others funded and anticipated in future years is included as Attachment 2. In addition to these projects, the proposed budget includes funding for the 2009 Pavement Management Project. Projects which are scheduled to be under construction this next fiscal year include the following:

- **East Cliff Drive Bluff Stabilization.** As noted above, construction of this project began in spring 2009 and is planned to be complete late winter 2010.
- **Live Oak Resource Center.** A new building is planned to house two non-profit organizations serving residents of the project area. The two story building will be

constructed on a vacant site on 17th Avenue in Live Oak. Construction is planned to begin late summer 2009.

- **Anna Jean Cummings Park Slide Replacement and Parking Lot Improvements.** Construction of parking improvements and replacement of the hillside slide at the popular Anna Jean Cummings Park in Soquel is planned by the Parks Department with funding from the Redevelopment Agency. Construction is planned for summer of 2009.
- **Floral Park Renovation.** Renovation of this park will include a new play area and swings, an off leash dog area, perimeter walkway, restroom and storm drainage and landscaping improvements. Construction is planned to begin in winter or spring 2010.
- **East Cliff Drive Parkway (Pleasure Point).** This project is the second and final phase of construction to complete pedestrian, bike, and landscaping improvements along East Cliff Drive from 32nd to 41st Avenues. The project will also include a new restroom and interpretive element at Pleasure Point Park plus storm drainage, road and utility improvements. Construction is planned to begin spring 2010.
- **Felt Street Park.** The Agency is funding the construction of a new park on the County-owned Felt Street Park site. Park development will include play areas, skate board features, bocce ball courts, garden plots, a restroom, and parking. Construction is planned to begin in the spring of 2010.

Working with the Parks Department, design will proceed on a number of park projects planned for construction in future years. These include habitat and park improvements at Moran Lake Park, the Farm Park and Community Center, Chanticleer Park, and field and dog park improvements at Anna Jean Cummings Park. Working in conjunction with Public Works, design will also proceed on the 2010 Sidewalk Infill Project (Daubenbiss Avenue and Soquel Avenue between 7th Avenue and La Fonda), Soquel Avenue west of 17th Avenue, pedestrian improvements along East Cliff Drive between 9th and 12th Avenues, as well as between 17th and 32nd Avenues, the Twin Lakes Beach Front Improvement Project (East Cliff Drive 5th to 9th Avenues), Eaton Street Improvements, and Cabrillo College Drive Improvements.

Economic Vitality Projects/Programs

The proposed budget provides funding for ongoing programs as well as funding for new program opportunities. Ongoing programs include a study of traffic and circulation in the upper 41st Avenue and Soquel Drive corridor, funding to support economic development efforts of the Workforce Investment Board including participation in the development of countywide economic development studies and strategies, and continued support of small business assistance. Building on the success of past efforts, Agency staff will continue efforts to facilitate the development of key sites for appropriate commercial/industrial uses.

The recommended hiring of staff will allow for development of a comprehensive economic development function to be led by an Economic Development Program Manager. A renewed emphasis will be placed on identifying and developing new economic development programs and opportunities proposed to be focused in three areas of work. The first area will be to work with existing small business areas and organizations to identify opportunities to improve commercial areas and to facilitate strengthening and retaining small businesses. A second proposed area of work is a Planning Department led program to identify, master plan and prepare Planned Unit Development proposals for key commercial sites in the Project Area, with funding from RDA. Finally, efforts will begin on planning for the implementation of Planned Unit Development proposals of key commercial opportunity sites.

Community Design/Special Studies and Projects

Staff will complete the preparation of the next five year implementation plan for the 2010-14 time period. A second series of community workshops (following the first set of workshops to be conducted in May 2009), is planned for fall 2009 to complete community discussion and input into the plan. The plan will then be brought to the Board for consideration in late fall 2010 and will include recommendations for capital improvement, economic development and affordable housing projects and programs. Time will also be allocated to work with Soquel businesses and residents on the preparation of conceptual plans for a Soquel Creek linear park and public parking improvements for the Agency owned property in Soquel Village known as the “Heart of Soquel”.

Funding is allocated for the Parks Department to study the feasibility of using photovoltaic (solar) systems in park facilities and also for development of a Solar Santa Cruz Pilot Program in the Project Area. Funding is allocated in the Capital Projects Tax Increment Fund for acquisitions of sites for parks and/or community facilities. Lastly, funding is proposed to support the ongoing plan-line development function. This will allow continued progress in development of Agency-sponsored plan lines as well as assisting in the technical review and community input phase of developer-sponsored plan lines.

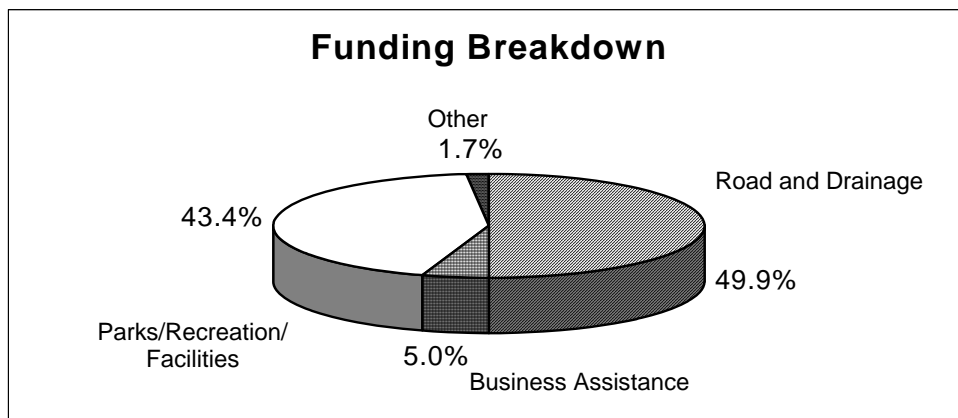
PROJECT BUDGETS

The following two budgets represent the recommended expenditures for both the Capital Projects and Low and Moderate Income Housing Projects, funded by revenues from the Agency’s various bond issues to date.

Index Number 611100 – Capital Projects Fund

Attachment 3 reflects the most recent update of the multi-year financing plan for a variety of capital improvement projects, including proposed annual revisions to project allocations. Proceeds from past bond issues have been allocated to capital projects, balanced among the various needs for road improvements, park and recreational facilities, community facilities, coastal improvement projects, drainage improvements, and business assistance activities. Figure 5 shows the distribution of funding for completed projects by project category and an overview of the resulting project improvements. Funding allocations for projects planned for construction during the next several years follow a similar distribution.

Figure 5: Completed RDA Capital Projects (1989-2009)



Project Results

Storm Drains:	47,500	linear feet
Sidewalks:	103,371	linear feet
Bike Lanes:	889,964	linear feet
Street Trees:	over 1,806	trees
Parks/Recreation Sites Acquired:	over 123	acres
Public Parking Spaces:	215	spaces
New Community Facilities	Live Oak Library Simpkins Family Swim Center & Live Oak Community Center Animal Services Authority	

Over \$115 million of community improvement projects have been completed since 1987; a listing and location map for these projects is included in Attachment 4.

Through bond proceeds, an ambitious work program of studies and project construction with funding of over \$29 million is scheduled for next year. Schedules and location maps for future projects are included as Attachments 2 and 4, respectively. The proposed 2009-10 Capital Projects Budget provides for next year's share of financing for the multi-year funded projects illustrated in Attachment 3. This funding also reflects the commitments contained within the County's proposed Capital Improvement Program.

Figure 6 illustrates project-by-project appropriations for project expenses proposed to be funded from the Capital Projects Fund for FY 2009-10. Allocations are included for previously-planned projects as well as new projects. New projects include field and dog park improvements at Anna Jean Cummings Park, funding for study of solar project improvements at county facilities located in the Project Area as well as development of a Solar Santa Cruz pilot program, and funding to develop plans for new improvements and community facilities that may be identified as part of the Five Year Implementation Plan.

FIGURE 6: INDEX NUMBER 611100 – CAPITAL PROJECTS

Index	Projects & Programs	Actual 2007-08	Approp. 2008-09	Est. Act. 2008-09	Request 2009-10	Recom. 2009-10	Recom. Change
611102	Economic Development -- General	86,216	775,988	169,317	750,000	750,000	(25,988)
611108	Small Busin. Assist. Prog. (LEAP)	10,000	32,960	10,000	10,000	10,000	(22,960)
611109	Graffiti Abatement Program	13,487	40,047	5,210	100,000	100,000	59,953
611111	Solar Projects	0	0	0	125,000	125,000	125,000
611112	Parks Dept Staff Svcs to RDA	134,069	241,131	310,000	375,000	375,000	133,869
611114	Jose Avenue Park - Acq & Dev	0	175,000	133,500	0	0	(175,000)
611119	Chanticleer Ave Park - Acq & Dev	92,444	392,327	218,757	1,046,850	1,046,850	654,523
611125	Small Drainage Projects	14,877	535,568	247,038	100,000	100,000	(435,568)
611131	30th Avenue (Portola to Brommer)	356,566	1,242,777	1,318,054	10,723	10,723	(1,232,054)
611132	Soquel Village Improvements	0	25,000	0	75,000	75,000	50,000
611134	Simpkins Swim Center	28,373	1,982,193	1,763,442	100,000	100,000	(1,882,193)
611136	Anna Jean Cummings Park	23,256	668,526	515,553	150,500	150,500	(518,026)
611137	Felt Street Park Design	26,816	1,344,160	13,581	1,516,000	1,516,000	171,840
611138	Live Oak Library	49,630	81,408	43,911	17,750	17,750	(63,658)
611139	7th & Brommer Site	12,034	150,001	12,147	137,853	137,853	(12,148)
611140	Farm Park	257,892	1,248,781	749,236	945,426	945,426	(303,355)
611141	Upper 14th Ave (Merrill to E. Cliff Dr.)	41,675	0	0	0	0	0
611143	East Cliff Improvements	8,594	648,303	271,807	2,913,425	2,913,425	2,265,122
611145	Twin Lakes Beach Improvements	231,396	673,050	151,072	1,272,814	1,272,814	599,764
611147	Moran Lake	49,446	163,232	76,460	187,000	187,000	23,768
611148	Floral Street Park	37,466	165,534	108,593	1,131,201	1,131,201	965,667
611151	Eaton Street Planline	0	200,000	43,925	241,095	241,095	41,095
611152	Plan Line Study for Road Projects	69,183	240,146	54,387	100,000	100,000	(140,146)
611155	Traffic Calming Program	2,110	44,098	0	185,000	185,000	140,902
611158	Street Tree Program -- General	37,529	118,969	42,423	170,000	170,000	51,031
611160	Associated Traffic Studies	0	115,912	65,380	106,860	106,860	(9,052)
611162	Special Studies	105,179	167,953	53,638	120,000	120,000	(47,953)
611165	Traffic Improvements	0	289,088	289,088	0	0	(289,088)
611169	Misc Park Improvements	0	0	0	200,000	200,000	200,000
611171	41st Avenue (North of Hwy 1)	453	99,108	0	99,560	99,560	452
611175	Pavement Mgmt (3 yr Allocation)	2,197,097	3,767,899	2,853,289	3,021,500	3,021,500	(746,399)
611183	East Cliff Stabilization	226,191	10,995,693	8,025,370	1,296,385	1,296,385	(9,699,308)
611195	Sidewalk Infill Program	288,559	1,123,489	570,263	626,076	626,076	(497,413)
611196	Capitola Ave Design (Soq Dr-City Cap)	126	0	0	0	0	0
611201	7th Avenue (Eaton to Capitola Road)	(29)	29	0	0	0	(29)
611202	Soquel Avenue Improvements	25,430	953,707	75,795	1,874,300	1,874,300	920,593
611205	Community Facilities	5,784,581	1,115,453	76,575	520,000	520,000	(595,453)
611208	East Cliff Dr (17th-32nd Avenues)	0	374,000	29,000	151,000	151,000	(223,000)
611211	Upper 7th Avenue	184,946	2,922,728	2,502,901	15,826	15,826	(2,906,902)
611213	Cabrillo College Dr	0	170,000	72,347	2,912,500	2,912,500	2,742,500
611215	Live Oak Resource Center	0	4,167,200	792,643	6,212,150	6,212,150	2,044,950
611217	Soquel Creek Linear Park & Parking Impr	0	100,000	26,732	89,000	89,000	(11,000)
611218	West Walnut Street	6,263	656	0	0	0	(656)
611219	Soquel Drive (41st to S. Rodeo)	0	0	0	78,430	78,430	78,430
611220	Park site Acquisition	286,616	3,489,515	23,901	0	0	(3,489,515)
611225	Sidewalk Infill Phase 2	0	0	0	250,000	250,000	250,000
TOTAL RDA PROJECTS & PROGRAMS		10,688,473	41,041,629	21,715,335	29,234,224	29,234,224	(11,807,405)

Index Number 612200 – Low and Moderate Income Housing Fund

In the spring of 1990, the Redevelopment Agency Board of Directors established the underlying policy basis for administering the Low and Moderate Income Housing Fund. Consistent with that program, during FY 2008-09, the Agency financed projects and funded programs to foster the development of new housing, and the redevelopment of existing housing to provide long-term affordability to very low and low-income households. The Housing Division of the Planning Department manages all housing activities.

Figure 7 summarizes the total housing units assisted by housing type (existing or new) over time, including those projects planned for construction in 2009. Projected through 2009, these programs and projects will have assisted approximately 1390 units throughout the unincorporated County.

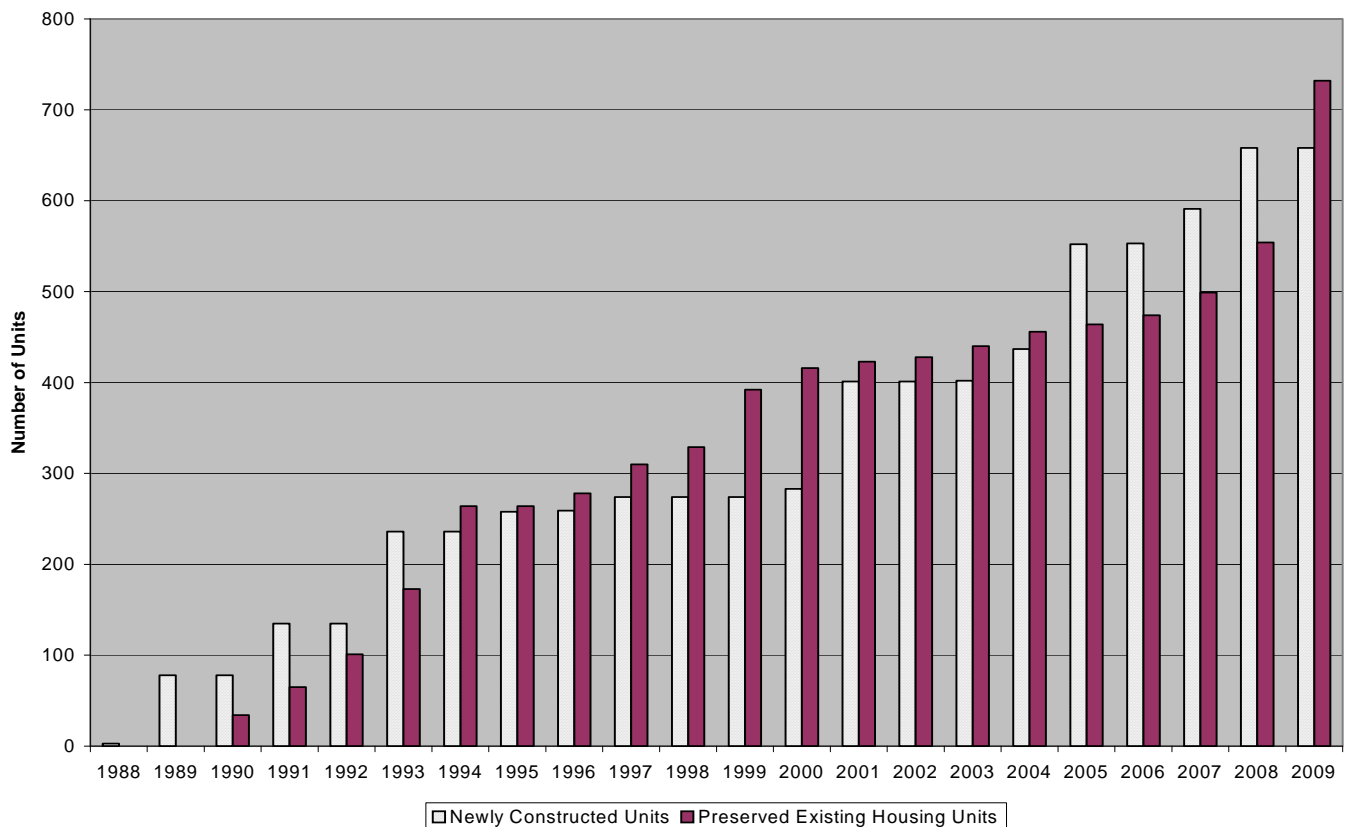
Figure 8 describes the individual projects financed through the RDA and RDA funded programs administered by the Planning Department. That table illustrates the critical role non-profit housing provider’s play through their partnership roles on various projects, in particular, South County Housing and Mid Peninsula Housing Coalition, who continue to be very active in current partnerships. The table also includes the variety of affordable housing programs available to serve community needs.

Agency-assisted housing projects have benefited a cross-section of area residents living in a wide range of housing types. Units assisted to date and distributed as follows:

- Family Apartments – 21%
- Home Ownership Projects – 22%
- Mobile Home Units – 29%
- Farmworker Units – 12%
- Senior Apartments – 10%
- Special Needs Housing – 6%

Projects in the design and financing stages for construction in future years follow a similar distribution.

FIGURE 7: AFFORDABLE HOUSING UNITS ASSISTED



In addition to providing financing for a significant number of units, Agency funds have been highly successful in leveraging other public and private funding sources. An amount in excess of \$38 million has been committed by the Agency over the past 22 years to completed housing projects which has been matched by over \$152 million in outside funds.

FIGURE 8: REDEVELOPMENT AGENCY ASSISTED AFFORDABLE HOUSING: PROJECTS & PROGRAMS

PROJECTS				
Project	Description	Developer	No. Units	Status
Habitat for Humanity (scattered sites)	New construction: single family houses for sale to very low income	Habitat for Humanity	6	Completed
Pacific Family Mobile Home Park	Acquisition, rehabilitation and reconfiguration of mobile home park; low income home owners	South County Housing	34	Under Construction
VOA Senior Housing	New apartment units; very low income seniors	Volunteers of America	75	Completed
Lagoon Beach Cooperative	Apt. conversion to limited equity cooperative; very low income	Santa Cruz Community Housing Corp.	31	Completed
Stepping Out	New apts; very low income disabled adults	Stepping Out Housing, Inc.	18	Completed
Cunnison Lane/Farm	New units & child care – very low income families	Mid-Peninsula Housing Coalition	39	Completed
Brommer Street	Purchase/rehab.; transitional housing formerly homeless families	Housing Authority	6	Completed
Woodland Heights	Preserve affordability of low income senior apts	Vosti Properties	68	Completed
Arroyo Verde	Enhance affordability of very low and low income ownership project	Housing Authority	101	Completed
Merrill Road	New construction; very low income families	Housing Authority	15	Completed
Casa Linda	New construction; apartments for very low income disabled adults	Housing for Independent People (HIP)	21	Completed
Murphy's Crossing (Jardines del Valle)	Rehabilitation and purchase of farm labor camp; low and very low income	Mid Peninsula Housing Coalition	18	Completed
Sorrento Oaks	Private mobile home park conversion; loans to low income park residents	Private Cooperative	12	Completed
Tierra Alta	Sanitation improvements for low and very low income farm worker housing	Housing Authority	36	Completed
Cliffwood Estates Mobile Home Park	Private mobile home park conversion; loans to low income park residents	Private Cooperative	9	Completed
Willowbrook Assisted Care Housing	Assisted living housing and affordable rental units	Willowbrook LLC	40 beds + 4 units	Completed
Above the Line/Freedom Cottages	Affordable rental units (and group home for teens)	Santa Cruz Community Counseling Center	17	Completed
McIntosh Mobile Home Park	Preserve, expand, and upgrade mobile home park; low income	Mercy Housing	28	Completed
Monarch	Transitional Housing for families	Santa Cruz Community Counseling Center	6	Completed
Vista Verde Apartments	New units and child care for very low income families	South County Housing	76	Completed
San Andreas Farm Labor Housing	Reconstruction of dilapidated farmworker housing	Mid Peninsula Housing Coalition	43	Completed
Corralitos Creek Townhomes	New for sale units for moderate income families	South County Housing	35 townhomes	Completed
Corralitos Creek Apartments	New apartment complex for low income families	South County Housing	64 apartments	Completed
Marmos RV Park (Villas	Reconstruction Project with modular	Mid Peninsula Housing	51	Completed

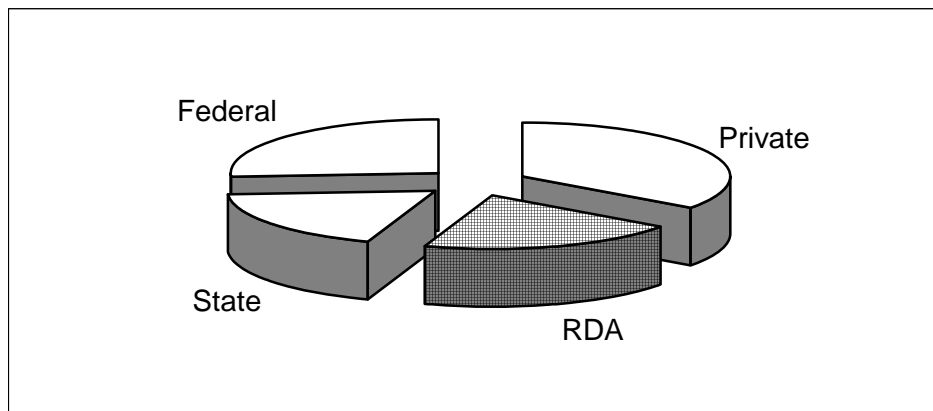
**FIGURE 8: REDEVELOPMENT AGENCY ASSISTED AFFORDABLE HOUSING:
PROJECTS & PROGRAMS**

PROJECTS				
Project	Description	Developer	No. Units	Status
del Paraíso)	rental housing units for low and very low income	Coalition		
McGregor Apartments (Seacliff Highlands)	New apartments for low and very low income families	South County Housing	39	Completed
Golden Torch RV Park (Parkhurst Terrace)	Reconstruction project with rental housing units for low and very low income	Mid Peninsula Housing Coalition	68	Completed
Wheelock	Permanent housing for psychiatrically disabled adults	HSA/Santa Cruz Community Counseling Center	12 beds in 2 units	In Progress
Canterbury Park	New for sale affordable town homes	South County Housing	19	In Progress
Pleasant Acres Mobile Home Park	Acquisition and infrastructure improvements of an existing mobile home park with low and moderate income families	South County Housing	64	Completed
Seascape	Property deeded to County for affordable housing	Not yet identified	Currently Unknown	Pending
Gemma	Single family home providing transitional housing for women leaving Blaine Street Jail	RDA / CAB	1 unit	Completed
Foster Care Transitional Housing	Transitional housing for former foster youth aging out of foster care	Santa Cruz Community Counseling Center	8 beds	On going
Beachcomber Mobile Home Park	Conversion of mobile home park to limited equity co-op; low income coach owners	Santa Cruz Community Housing Corp.	73	Completed
Swan Lake Gardens	Acquisition of Permanent Affordability Restrictions	RDA	45	In Progress
Miller Project	Funding assistance to new homebuyers after project completed (Housing Element Re-zoning Site)	TBD	15	Preliminary Stage
Minto Road Project	New low and very low income rental apartment project (Housing Element Re-zoning Site)	Mid Peninsula Housing Coalition	88	Preliminary Stage
PROGRAMS				
Program	Description	Program Administrator	No. Units (cumulative)	Status
CDBG Housing Rehabilitation	Rehabilitation of single family homes, apartments and mobile homes	Planning	18	Completed
Mobile Home Rehab. Program	Loans to low and very low income owners for life threatening and health and safety improvements	Planning	55	On-going
First Time Homebuyer Program	Subsidies to very low, low & moderate income households to purchase homes (mobiles and real estate)	Planning	152	On-going
Change Out Program	Subsidies to very low, low & moderate income mobile home owners to replace older homes w/ new manufactured home	Planning	75	On-going
Families in Transition	Assist families into stable, permanent housing	Families in Transition (contract via HSD)	54	On-going
Last/Deposit Program	Loan program to low income households to avoid homelessness	Housing Authority (contract w/RDA)	426	On going
Affordable Housing Preservation	Preserve affordability of units as a result of an enforcement action or pending foreclosure	Planning	8	On going
Sheriff-Employee Housing	Downpayment subsidies to income eligible uniformed County officers	Planning	2	Initial 2008 Pilot program

				– currently incorporated into FTHB
Measure J	Initial sale, resale and refinance transactions associated with County inclusionary housing program	Planning	499	On-going
2 nd Unit Loans	Loan program for affordable second units	Planning	4	Discontinued

Figure 9 illustrates the total funding for completed affordable housing projects, with the Agency contributing 20% of the total costs with the remainder of funding coming from private, state and federal funding sources.

Figure 9: RDA Funding As Share of Total Completed Housing Projects



INDEX NUMBER 612200 – LOW AND MODERATE INCOME HOUSING FUND

Expenditures	Actual 2007-08	Approp. 2008-09	Est. Actual 2008-09	Request 2009-10	Recom. 2009-10	Recom. Charge
Admin. Services	6	0	371	0	0	0
Professional Services	409,230	129,270	430,041	65,000	65,000	(64,270)
Legal Services	45,395	86,538	118,585	95,000	95,000	8,462
DPW Services	24,941	10,000	27,842	10,000	10,000	0
Plan, Survey, Design	4,115	400,000	32,577	0	0	(400,000)
Real Estate Purchase	0	4,350,000	450,000	2,450,000	2,450,000	(1,900,000)
Acquisition Costs	2,700	25,000	39,364	25,000	25,000	0
Oper Acq Prop	41,093	100,000	27,223	100,000	100,000	0
Project Costs	220,831	0	548	0	0	0
Housing Grants/Loans	3,487,831	15,864,788	7,482,488	14,300,000	14,300,000	(1,564,788)
TOTAL	4,236,142	20,965,596	8,609,039	17,045,000	17,045,000	(3,920,596)

Over the past year, several important projects and programs have proceeded with the Agency's financial assistance. South County Housing also completed the Pleasant Acres Mobile Home Park Improvement Project, involving infrastructure replacement with long-term low-income affordability requirements and is currently under construction with the Pacific Family Mobile Home Park reconfiguration project. South County Housing is also proceeding with the Canterbury Park Town

Home project, 19 affordable for sale town homes on Canterbury Drive adjacent to the Parks Department's proposed 1.25-acre public park on McGregor Drive. RDA support for the Affordable Housing Combining District Rezoning program during 2008-09 is expected to result in rezoning a total of 30 acres on six sites. Each site provides for a by right density level of 20 units per acres and a minimum affordability level of 40%.

In addition, the Agency has financed programs to provide affordable ownership housing opportunities to both first time homebuyers and current mobile home owners who meet RDA income eligibility requirements. The First Time Homebuyer Program offers income eligible purchasers a subsidy of up to 25% of the purchase price to be used toward the purchase of a home. The Mobile Home Change-Out Program offers current mobile home owners, within state licensed parks, to obtain a subsidy of up to \$60,000 toward the purchase and installation of a new home. Units assisted through these programs include long term affordability restrictions. Through these programs, over 92 units were assisted during FY 2008-09. Other Agency program activities include the Mobile Home Rehabilitation Loan Programs, the Affordable Housing Preservation Program and other affordable housing activities.

The proposed budget provides funding for the following housing programs:

- \$200,000 for the mobile home rehabilitation program;
- Funding of \$2,000,000 to support the First Time Homebuyer Program;
- \$2,000,000 for the continued implementation of the Mobile Home Change Out Program;
- Increased funding from \$1,600,000 to \$2,000,000 for the Affordable Housing Unit Preservation Program;
- \$60,000 for the Pre-development Loan Program;
- \$78,000 for the Families in Transition Program;
- Continued assistance for the Transitional Housing Plus Program (THP+);
- Continuation of \$15,000 in rent subsidies and a new \$36,000 contract with the Santa Cruz Counseling Center for the Extended Housing Assistance Program;
- Increase the contract to support the Homeless Action Partnership/Continuum of Care from \$53,125 to \$63,720;
- \$225,000 for the mental health supportive housing program administered by the Health Services Agency;
- Continuation of \$70,000 for the Last Month's Rent/Security Deposit Program; and
- \$100,000 to fund the Community Action Board Eviction Protection Program (transferred from budget unit 136155);

Funds are also requested for a number of pending housing assistance projects located throughout the unincorporated area. In addition, \$15 million of housing funds have been set aside for financial participation in future affordable housing projects resulting from the rezoning of Housing Element sites. To date, \$5,400,000 has been approved by the Board to assist two specific projects proposed for the rezoning sites and the remaining allocation of \$9,600,000 is available to assist additional project proposals.

TAX INCREMENT FUNDS

The Redevelopment Agency's Tax Increment Funds include property tax increment (allocated 25% gross for affordable housing purposes and the balance for capital projects) plus interest revenues.

These revenues are used to pay obligations, including previously incurred debt (from bonds and loans), special projects costs, and administrative expenses (expended through Index Numbers 610110 and 610120). Additional funds are proposed for real property acquisitions. Following adoption of the Agency's 2008-09 budget, legislation was enacted requiring an Educational Revenue Augmentation Fund (ERAF) transfer from redevelopment agencies to reduce State funding obligations to the schools. That transfer has not yet occurred and is being legally challenged in State courts. Additional ERAF transfers are not being considered by the State at this time, and thus additional transfers of Agency funds are not included in the Agency's budget.

INDEX NUMBER 136110 – CAPITAL PROJECTS TAX INCREMENT FUND

<u>Expenditures</u>	Actual 2007-08	Approp. 2008-09	Est. Actual 2008-09	Request 2009-10	Recom. 2009-10	Recom. Change
Designation	\$4,705,048	\$5,673,825	\$5,673,825	\$0	\$0	(\$5,673,825)
Interest Expense	5,751,919	5,903,071	5,574,988	9,811,546	9,811,546	3,908,475
Principal Payments	2,369,878	2,494,005	2,491,328	2,597,905	2,597,905	103,900
Real Estate Purch.	50	8,000,000	2,346,921	8,000,000	8,000,000	0
ERAF/Admin. Svcs	0	0	0	0	0	0
Transfers Out	1,933,404	2,744,386	2,441,618	3,666,843	3,666,843	922,457
TOTAL	\$14,760,299	\$24,815,287	\$18,528,680	\$24,076,294	\$24,076,294	(\$738,993)

Revenues

Tax Revenues	15,172,111	14,730,638	12,856,211	14,224,400	14,224,400	(506,238)
Interest	710,048	440,000	65,867	49,401	49,401	(390,599)
Cancel Reserve	0	0	0	5,764,447	5,764,447	5,764,447
Fund Balance	8,522,789	9,644,649	9,644,649	4,038,046	4,038,046	(5,606,603)
TOTAL	\$24,404,948	\$24,815,287	\$22,566,727	\$24,076,294	\$24,076,294	(\$738,993)

**INDEX NUMBER 136120 – LOW AND MODERATE INCOME HOUSING
TAX INCREMENT FUND**

<u>Expenditures</u>	Actual 2007-08	Approp. 2008-09	Est. Actual 2008-09	Request 2009-10	Recom. 2009-10	Recom. Change
Designation	\$0	\$2,302,530	\$2,302,530	\$1,096,733	\$1,096,733	(\$1,205,797)
Real Estate Purch.	840,126	1,200,000	1,748,842	2,000,000	2,000,000	800,000
Project Costs	1,774,786	15,285,000	6,036,472	9,353,720	9,353,720	(5,931,280)
Interest Expense	2,142,044	2,269,269	2,232,762	2,233,691	2,233,691	(35,578)
Principal Payments	944,950	895,996	895,149	916,490	916,490	20,494
Transfers Out	1,530,623	1,818,350	1,792,676	1,951,869	1,951,869	133,519
TOTAL	\$7,232,530	\$23,771,145	\$15,008,431	\$17,552,503	\$17,552,503	(\$6,218,642)

Revenues

Tax Revenues	8,112,193	7,988,017	8,204,361	7,871,146	7,871,146	(116,871)
Interest	793,511	420,000	58,441	43,831	43,831	(376,169)
Other Revenue	165,114	11,800	50,935	10,800	10,800	(1,000)
Sale of Fixed Assets	261,791	1,000,000	570,092	1,400,000	1,400,000	400,000
Cancel Reserve	4,123,522	6,432,458	6,432,458	0	0	(6,432,458)
Fund Balance	1,695,270	7,918,870	7,918,870	8,226,726	8,226,726	307,856
TOTAL	\$15,151,400	\$23,771,145	\$23,235,156	\$17,552,503	\$17,552,503	(\$6,218,642)