

**MEMORANDUM**

**DATE:** NOVEMBER 28, 2007

**TO:** GREG RAMIREZ, CITY MANAGER/EXECUTIVE DIRECTOR

**FROM:** MIKE KAMINO, DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT  
NATHAN HAMBURGER, ASSISTANT CITY MANAGER  
GEORGETTE HOLT, FINANCE DIRECTOR

**SUBJECT:** SUMMARY OF THE AGOURA HILLS REDEVELOPMENT AGENCY ANNUAL REPORT

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**BACKGROUND/DISCUSSION**

California Health and Safety Code Sections 33000 et seq. (California Redevelopment Law or "CRL") require that the Redevelopment Agency submit an annual financial report to its legislative body within six months after the end of the agency's fiscal year. This report and the attached documents and forms, included as Attachment 1, serve to fulfill the annual report requirements under applicable sections of the CRL. Reporting information must also be filed with the State Department of Housing and Community Development (Attachment 2), and with the State Controller (Attachment 3).

The annual financial report must contain the following:

1. An independent financial audit ("Audit Report") of the previous fiscal year, which presents the results of the operations and financial position of the agency, including all financial activities with money required to be held in a separate Low and Moderate Income Housing Fund (LMIHF) per Section 33334.3 of the CRL. The audit must also contain a report on the Agency's compliance with laws, regulations and administrative requirements governing activities of the Agency, and a calculation of excess surplus in the LMIHF.
2. A fiscal statement containing the following information:
  - a. The amount of outstanding indebtedness of the Agency in each Project Area.
  - b. The amount of tax increment property tax revenue generated in the Agency and in each Project Area.
  - c. The amount of tax increment revenues paid to, or spent on behalf of, taxing agencies per Section 33401(b) or Section 33676 of the CRL.
  - d. The required annual report of financial transactions to the State Controller's Office.
  - e. The amount allocated to school or community college districts.

- f. The amount of existing indebtedness, as defined in Section 33582 of the CRL, and the total amount of payments required to be paid on existing indebtedness for that fiscal year.
  - g. Any other fiscal information that the Agency believes is useful to describe its programs.
3. A description of the Agency's activities affecting housing and displacement, containing the following information:
- a. The total number of households displaced or moved from their dwelling units as a part of a redevelopment project during Fiscal Year 2006-07.
  - b. An estimate of the total number of households that will be displaced during 2007-08.
  - c. The total number of dwelling units provided to persons and families of low to moderate income as part of a redevelopment project.
  - d. The total number of Agency assisted dwelling units constructed, substantially rehabilitated, acquired or subsidized during Fiscal Year 2006-07 for occupancy at affordable cost by persons and families of low to moderate income.
  - e. The status and use of the Low to Moderate Income Housing Fund, created pursuant to Section 33334.3, including identification of any excess surplus funds that have accumulated in the Low to Moderate Income Housing Funds. Excess surplus funds are defined as any unexpended or unencumbered amount in the Housing Fund that exceeds the greater of \$1,000,000 or the aggregate amount deposited in the fund in the preceding four (4) fiscal years. Monies are deemed encumbered if committed by a legally enforceable contract or agreement.
  - f. Compilation of annual monitoring reports by the agency under Section 33419 of the CRL, identifying continuing compliance under terms of recorded agreements and restrictive affordable housing covenants, and identification of any projects or dwelling units in violation of recorded agreements and covenants.
  - g. The total amount of funds expended for planning and general administrative costs.
  - h. Any other information the Agency believes is useful to explain its housing program.
4. A description of the Agency's progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year.
5. A list of, and status report on, all loans made by the Agency in the amount of \$50,000 or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the Agency.
6. A description of the total number and nature of the properties owned by or acquired by the Agency during the previous fiscal year.

7. Any other information the Agency believes is useful to explain its programs, including, but not limited to, the number of jobs created or lost in the previous fiscal year as a result of its activities.

## ANALYSIS

Since there is only one City Council/Agency meeting scheduled in December 2007, it is necessary to provide the Agency's financial audit materials in draft form. While the materials are assumed to be substantially complete, the Finance Director and independent auditor may need to make non substantial adjustments to the final numbers prior to submitting to the State. The following summarizes the specific information required by the State.

1. Independent financial audit and compliance audit:

A copy of the draft independent financial audit and compliance audit for FY 2006-07 is included as Attachment 1.

2. Fiscal statement:

- a. The amount of outstanding bonded indebtedness of the Redevelopment Agency as of June 30, 2007 was reported to be \$0.00. In addition, the Agency has outstanding loan obligations of \$28,529,592 to the City Loan.
- b. The amount of gross tax increment property tax revenue received by the Agency in 2006-07 was \$3,952,821.
- c. The amount of tax increment paid to taxing agencies pursuant to Section 33401 of the CRL was \$2,281,865.
- d. The required annual report of financial transactions to the State Controller will be submitted with all final reporting documentation, forms and the final audit prior to December 31, 2007 (Attachment 3).

3. There is no other fiscal information that the Agency believes useful to describe its programs at this time.

4. Activities affecting housing and residential displacement:

- a. The total number of households displaced or moved as part of a redevelopment project of the Agency in FY 2006-07 was 0.
- b. The total number of households estimated to be displaced as part of a redevelopment project of the Agency in FY 2007-08 is 0.

- c. The total number of low to moderate-income dwelling units destroyed or removed from the housing stock as part of a redevelopment project of the Agency in FY 2006-07 was 0.
  - d. The total number of Agency-assisted dwelling units that were constructed, rehabilitated, acquired or subsidized for occupancy at an affordable housing cost by persons and families of low to moderate income in FY 2006-07 was 0.
  - e. As of June 30, 2007, the Agency's Low and Moderate Income Housing Fund (LMIHF) set aside balance for the Redevelopment Project Area was \$3,048,260, which, after adjustment for assets (loans receivable and land held for resale), results in an available funds balance of \$3,111,098. The available funds balance does not reflect other Agency approved encumbrances as reported in the HCD report Schedule C (Attachment 2).
  - f. For FY 2006-07, the Agency has an LMIHF excess surplus of \$489,675. The Agency is currently working with property owners and developers in the Project Area for the production or acquisition of very low- and low-income restricted units, and expects to extend or encumber the excess surplus amount within the next one year period per the requirements under Section 3334.12(a)(1) of the CRL.
5. The Agency's progress in alleviating blight during FY 2006-07 includes public improvements to upgrade infrastructure and facility capacity to mitigate deficiencies. Examples include the Kanan Road Interchange Project, the Reyes Adobe Road Interchange Project, and the design coordination of the future Kanan and Agoura Roads roundabout with potential developers in the Agoura Village Specific Plan area. Additionally, the Agency has continued efforts toward planning and negotiating with land owners and potential developers for projects in Agoura Village, regarding the inclusion of affordable housing opportunities within their projects.
  6. There is no other information that the Agency believes is useful to explain its housing programs at this time.

As a result of the City Council's action, all final reporting documentation and forms will be filed with the State Controller and State Department of Housing and Community Development prior to December 31, 2007.

#### RECOMMENDATION

Staff recommends that the City Council and Redevelopment Agency take the following actions:

1. Receive and file the Agency's financial audit report for FY 2006-07.
2. Receive and file the Agency's annual report of housing activity for FY 2006-07.

3. Direct that a copy of the audit report and annual report of housing activity for FY 2006-07, and all related reporting documents and forms, be executed in final form and filed with the State Controller and State Department of Housing and Community Development.

ATTACHMENTS

1. *Draft Agoura Hills Redevelopment Agency Annual Financial Report (Year ended June 30, 2007).*
2. *HCD Report of Redevelopment Agency Housing Activities for Fiscal Year Ending June 30, 2007.*
3. *2007 Redevelopment Agency's Transactions as Reported to the State of California.*