

Redevelopment Agency Meeting of
May 16, 2006

AGENCY AGENDA ITEM 4A

COMPANION TO COUNCIL ITEM 12A

Honorable Chair and Members
of the Torrance Redevelopment Agency
City Hall
Torrance, California

Members of the Agency:

**SUBJECT: First Public Hearing and Budget Workshop on the Proposed
Redevelopment Agency Administrative and Project Budget for Fiscal
Years 2005-07**

RECOMMENDATION

Recommendation of the Deputy Executive Director that Your Honorable Body continue the first public hearing on the City of Torrance proposed budget revisions for the 2nd year of the City's two-year 2005-07 operating budget and hold the 2nd public hearing on May 23. (Companion item to Council item 12A)

BACKGROUND AND ANALYSIS

The Torrance Redevelopment Agency is required by California Community Redevelopment Law to prepare and adopt an annual Administrative Budget and annual Project Budgets. These budgets must include the proposed expenditures of the Agency, proposed indebtedness to be incurred and anticipated revenues. The Redevelopment Agency's Administrative Budget is included as part of the City Manager's adopted Budget for 2005-2007 and individual Project budgets are attached. The Redevelopment Administrative Budget is provided in the City Council companion item.

Redevelopment Law also provides the authority for the Agency to borrow funds from the City to finance project administration and implementation. The City maintains reserves in the General Fund for this purpose.

Subsequently, the overall general economic decline has caused a slowdown in the city as well as the region and the typical growth rates of the past are not being experienced.

The proposed Redevelopment Agency administrative and project budget total is \$514,385. The proposed budget for the Low-Moderate Housing Fund is \$741,109. The Agency's activities are financed through tax increment generated by increased property value resulting from redevelopment activities. Meadow Park no longer generates increment to the Agency and Skypark is limited to increment sufficient for outstanding debt repayment.

The Downtown and Industrial projects currently have increased tax increment limits of \$50 million and \$180 million respectively. Essentially, all increment from these projects is allocated for the repayment of existing debt and administration. The proposed Redevelopment Agency debt service budget total for Fiscal Year 2006-2007 is \$9,851,842.

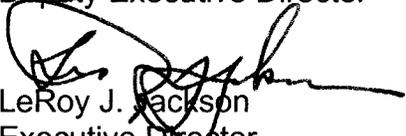
Respectfully submitted,

Jeffery W. Gibson
Deputy Executive Director

By Kevin Joe
Kevin Joe, AICP
Planning Associate
Redevelopment, Housing & General Plan

CONCUR:


Jeffery W. Gibson
Deputy Executive Director


LeRoy J. Jackson
Executive Director

Attachment:

A. Redevelopment Agency Project Budgets

MEADOW PARK REDEVELOPMENT PROJECT
BUDGET SUMMARY FISCAL YEAR 2006-07

ESTIMATED REVENUES	Project Fund
Investment Earnings	\$ -
Rental Income	13,558
Total Estimated Revenues	<u>13,558</u>
ESTIMATED EXPENDITURES	
General Administration Salaries and Benefits	14,475
Total Estimated Expenditures	<u>14,475</u>
Net of Revenues/Expenditures	(917)
Add: Unreserved Fund Balance July 1, 2006 (cash basis)	2,034
ESTIMATED FUND BALANCE JUNE 30, 2007	<u>\$ 1,117</u>

SKYPARK REDEVELOPMENT PROJECT
BUDGET SUMMARY FISCAL YEAR 2006-07

ESTIMATED REVENUES	Project Fund	Debt Service Fund	Total
Tax Increments	\$ -	\$ 645,162	\$ 645,162
Investment Earnings	-	3,000	3,000
TOTAL ESTIMATED REVENUES	-	648,162	648,162
ESTIMATED EXPENDITURES			
Property Tax Administrative Cost	-	8,280	8,280
Payment of Indebtedness:			
Bond Principal	-	248,762	248,762
Bond Interest	-	157,323	157,323
Transfer Out - Low-Moderate Housing Fund	-	129,032	129,032
TOTAL ESTIMATED EXPENDITURES	-	543,397	543,397
NET OF REVENUES/EXPENDITURES	-	104,765	104,765
Add: Unreserved Fund Balance July 1, 2006 (cash basis)	6,537	289,007	295,544
 ESTIMATED FUND BALANCE JUNE 30, 2007	 \$ 6,537	 \$ 393,772	 \$ 400,309

DOWNTOWN REDEVELOPMENT PROJECT
BUDGET SUMMARY FISCAL YEAR 2006-07

ESTIMATED REVENUES	Project Fund	Debt Service Fund	Total
Tax Increments	\$ -	\$ 1,743,954	\$ 1,743,954
Pass Thru Amount	-	(991,790)	(991,790)
Investment Earnings	5,000	40,000	45,000
Interest Income on Receivables	11,300	-	11,300
Rents & Concessions	9,670	-	9,670
Advances from City	426,301	-	426,301
TOTAL ESTIMATED REVENUES	452,271	792,164	1,244,435
ESTIMATED EXPENDITURES			
General Administration Salaries and Benefits	52,793	-	52,793
Professional/Technical Services	254,317	-	254,317
Property Tax Administration Cost	-	25,600	25,600
Payment of Indebtedness:			
Bond Principal	-	175,000	175,000
Bond Interest	-	407,403	407,403
Interest payments to City		426,301	426,301
Other Expenditures	63,600	8,000	71,600
Indirect Cost	108,500	-	108,500
Transfer Out - Low-Moderate Housing Fund		348,791	348,791
Transfer Out - Rehab Housing	18,100	-	18,100
Transfer Out - Telephone Repl Fund	600	-	600
Transfer Out - Data Comm Repl Fund	1,500	-	1,500
Transfer Out - PC Repl Fund	500	-	500
TOTAL ESTIMATED EXPENDITURES	499,910	1,391,095	1,891,005
NET OF REVENUES/EXPENDITURES	(47,639)	(598,931)	(646,570)
Add: Unreserved Fund Balance July 1, 2006 (cash basis)	47,639	417,797	465,436
Non-Cash JV - Adv from County - Interest	-	631,780	631,780
- Loan from County	-	797,836	797,836
Less: Non-Cash JV - Accrued Interest	-	(631,780)	(631,780)
ESTIMATED FUND BALANCE JUNE 30, 2007	\$ -	\$ 616,702	\$ 616,702

INDUSTRIAL REDEVELOPMENT PROJECT
BUDGET SUMMARY FISCAL YEAR 2006-07

ESTIMATED REVENUES	Project Fund	Debt Service Fund	Total
Tax Increments	\$ -	\$ 3,933,225	\$ 3,933,225
Pass Thru Amount	-	(988,181)	(988,181)
Sales Tax	-	2,244,000	2,244,000
Property/Sales Tax Flip	-	772,500	772,500
Investment Earnings	-	175,000	175,000
TOTAL ESTIMATED REVENUES	-	6,136,544	6,136,544
ESTIMATED EXPENDITURES			
Property Tax Administrative Costs	-	70,000	70,000
Payment of Indebtedness:			
Bond Principal	-	785,000	785,000
Bond Interest	-	1,506,434	1,506,434
Other Expenditures	-	7,520	7,520
Transfer Out - Low Moderate Housing Fund	-	786,645	786,645
- General Fund (sales tax)	-	2,150,000	2,150,000
TOTAL ESTIMATED EXPENDITURES	-	5,305,599	5,305,599
NET OF REVENUES/EXPENDITURES	-	830,945	830,945
Add: Unreserved Fund Balance at July 1, 2006 (cash basis)	13,405	2,364,253	2,377,658
ESTIMATED FUND BALANCE JUNE 30, 2007	\$ 13,405	\$ 3,195,198	\$ 3,208,603

REDEVELOPMENT AGENCY
LOW - MODERATE HOUSING FUND
 BUDGET SUMMARY FISCAL YEAR 2006-07

ESTIMATED REVENUES	Project Fund
Investment Earnings	\$ 133,900
Transfer In - Industrial	786,645
Transfer In - Downtown	348,791
Transfer In - Skypark	129,032
TOTAL ESTIMATED REVENUES	<u>1,398,368</u>
ESTIMATED EXPENDITURES	
General Administration Salaries and Benefits	137,207
Professional/Technical Services	120,054
Housing Improvement Employment Program:	
Home Improvement Program (HIP) Labor	273,950
Home Improvement Program (HIP) Materials	93,598
Rental Support	
Coleman Court	21,000
Ocean Terrace	21,000
Housing Rehabilitation	50,000
Other Expenditures	5,500
TOTAL ESTIMATED EXPENDITURES	<u>722,309</u>
NET OF REVENUES/EXPENDITURES	676,059
Add: Unreserved Fund Balance July 1, 2006 (cash basis)	5,628,730
Less: Transfer to Rehab Housing	(18,800)
ESTIMATED FUND BALANCE JUNE 30, 2007	<u>\$ 6,285,989</u>