AUBURN URBAN DEVELOPMENT AUTHORITY
REGULAR BUSINESS MEETING AGENDA

City Council Chambers, City Hall
1225 Lincoln Way, Auburn, CA 95603
June 27, 2011
(Immediately following 6:00 p.m. City Council Meeting)

Meeting facilities are accessible to persons with disabilities. Requests for Assistive Listening Devices or other considerations should be made through the City Clerk's Office at (530) 823-4211, Ext. #112

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

1. **Public Comment**

   This is the time provided so members of the audience may speak to the Authority on any item not on this agenda. Please make your comments as brief as possible. The Authority cannot act on items not included on this agenda; however, the items will be automatically referred to staff.

2. **Auburn Urban Development Authority Operating, Capital Project and Debt Service Budgets for Fiscal Year 2011-12**

   Pages 3-8

   By **RESOLUTION,** adopt appropriations for the Auburn Urban Development Authority Operating, Capital Project and Debt Service Funds as summarized in the Fiscal Year 2011-12 Proposed Budget.

ADJOURNMENT

Materials related to an item on this Agenda submitted to the Authority after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 1225 Lincoln Way, Room 8, Auburn, CA 95603 during normal business hours.

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Report to the Auburn Urban Development Authority

Action Item
Agenda Item No. 3

City Manager's Approval

To:	Chair and Board Members, Auburn Urban Development Authority
From:	Robert Richardson, Executive Director
	Andy Heath, Administrative Services Director
Date:	June 27, 2011
Subject:	Auburn Urban Development Authority Operating, Capital Project and Debt Service Budgets for Fiscal Year 2011-12

The Issue

Shall the Board of Directors authorize the revenue estimates and expenditure appropriations recommended by the City Manager for the operations of the City's Redevelopment Agency funds for fiscal year 2011-12?

Action Requested

Review and consider recommended appropriations for the City's Redevelopment Agency funds for fiscal year 2011-12.

1) By RESOLUTION, adopt appropriations for the Auburn Urban Development Authority Operating, Capital Project and Debt Service Funds as summarized in the Fiscal Year 2011-12 Proposed Budget.

Background

The City of Auburn redevelopment agency, know as the Auburn Urban Development Authority (AUDA), undertakes projects to improve public facilities, create jobs, revitalize neighborhoods, and provide funding for low and moderate income housing. Capital funding for projects can be obtained through loans (and other indebtedness), and the debt service on these debts is paid with property tax revenues ("tax increments") from the growth in assessed value above the unimproved taxation levels.

State law specifies that redevelopment agencies must "set aside" 20% of the tax increment proceeds for the purpose of meeting low or moderate income housing needs. Housing programs include (but are not limited to): support for new housing projects, single-family mortgage subsidies, acquiring new multi-family housing, housing rehabilitation loan programs and reimbursement of City administrative expenses related to these types of activities.

Analysis

The proposed budget outlines AUDA revenue sources of $535,000 and expenditures and transfers of approximately $651,000. In October 2008, the AUDA sold Tax Allocation Bonds, generating $4.6 million to ultimately be used for AUDA redevelopment projects. It is anticipated that these funds will be wholly spent within the first few months of FY 11-12 using the appropriations granted during the 2010-11 fiscal year. The vast majority of these funds will have been allocated to the City's Streetscape Project – Phases I and II.

The $651,000 in planned expenditures during FY 11-12 include a $339,000 transfer for debt service on the AUDA Tax Increment bonds, a $155,000 transfer to the Low-Moderate Income Housing fund, $17,000 for AUDA pass-throughs and related debt service, and $140,000 for AUDA administration.

During fiscal year 2010-11, 20% of anticipated tax increments revenues, or $155,000, is expected to be transferred to the Low and Moderate Income Housing Fund. It is anticipated that the Low and Moderate Income Housing Fund will have a fund balance of approximately $667,000 at the end of fiscal year 2011-12, after considering the appropriation of $400,000 towards a low / moderate income housing project.

Realization of proposed receipts of tax increment and expected expenditures leaves the AUDA with a projected negative fund balance of approximately $31,000 at the end of fiscal year 2011-12 – to the extent of which any negative fund balance will be offset by a reduction in administrative overhead costs.

Finally, $339,000 in funding is appropriated towards the annual debt service payment on the 2008 Tax Allocation Bonds.

Alternatives Available to Council; Implications of Alternatives

1. Accept the recommendations of the City Manager, as submitted for Fiscal Year 2011-12.

2. Modify specific appropriations recommended by the City Manager.

Fiscal Impact

The Fiscal Year 2011-12 Proposed Budget for the AUDA balances recommended expenditures with anticipated revenues and carryover monies for all funds.

City of Auburn
Fiscal Year 2011-12 Recommended Budget
Auburn Urban Development Authority (Redevelopment) Fund (Fund 35)

	ACTUAL 2009-10	ORIGINAL BUDGET 2010-11	ESTIMATED ACTUAL 2010-11	RECOMMENDED 2011-12
Revenues:				
Property Taxes	$ 644,189	620,000	520,000	520,000
Interest Income	109,857	45,000	40,000	15,000
Other Revenues	-	-	-	-
Proceeds of Bonds	-	-	-	-
Total:	$ 754,046	665,000	560,000	535,000
Expenditures:				
Administrative Expense	$ 155,925	150,000	140,000	140,000
Professional / Contractual Services	39,992	25,000	50,000	-
Special Projects	-	-	-	-
Debt Service	2,234	2,234	2,234	2,234
Capital Projects	2,596,185	1,000,000	1,916,825	-
AB1290 Pass-Throughs	14,142	15,000	15,000	15,000
Redevelopment Funding Shift - State	276,557	65,000	56,938	-
Transfers-Out for Low / Mod Set Aside	187,142	165,000	160,000	155,000
Transfers-out for Debt Service	325,903	339,000	336,000	339,000
Bond Closing Costs	-	-	-	-
Total:	$ 3,598,080	1,761,234	2,676,997	651,234
Excess (deficit) of revenues over expenditures	$ (2,844,034)	(1,096,234)	(2,116,997)	(116,234)
Beginning Fund Balance	5,052,290	2,208,256	2,208,256	91,259
Less:				
Restricted Cash - Bond Proceeds	1,617,152	615,525	-	-
Restricted Cash - Pass Through Deferred	5,969	5,969	5,969	5,969
Ending Fund Balance	$ 585,135	490,528	85,290	(30,944)

Capital Expenditure Detail

	ACTUAL 2009-10	ORIGINAL BUDGET 2010-11	ESTIMATED ACTUAL 2010-11	RECOMMENDED 2011-12
Capital Expenditures				
65021 - Lincoln Way Streetscape	$ 2,364,863	1,000,000	20,000	-
65022 - Streetscape Phase II	-	-	1,595,000	-
65023 - Old City Hall Renovation	-	-	149,000	-
65024 - Old Town Firehouse Project	-	-	148,000	-
66006 - Elder Station Structure	-	-	4,825	-
68000 - Nevada Street Improvements	-	-	-	-
66000 - Jury Parking Lot	231,322	-	-	-
Total:	$ 2,596,185	1,000,000	1,916,825	-

City of Auburn
Fiscal Year 2011-12 Recommended Budget
Auburn Urban Development Authority Low / Mod Set-Aside Fund (Fund 34)

	ACTUAL 2009-10	ORIGINAL BUDGET 2010-11	ESTIMATED ACTUAL 2010-11	RECOMMENDED 2011-12
Revenues:				
Interest Income	$ 14,424	15,000	10,000	10,000
Other Revenues	-	-	-	-
Transfers-In from Other Funds	187,142	165,000	160,000	155,000
Total:	$ 201,566	180,000	170,000	165,000
Expenditures:				
Administrative Expense	$ 865	-	-	1,000
Contactual Services	9,900	5,000	8,000	10,000
Debt Service	-	-	-	-
Capital Projects	-	300,000	-	400,000
Total:	$ 10,765	305,000	8,000	411,000
Excess (deficit) of revenues over expenditures	$ 190,801	(125,000)	162,000	(246,000)
Beginning Fund Balance	559,820	750,621	750,621	912,621
Ending Fund Balance	$ 750,621	625,621	912,621	666,621

City of Auburn
Fiscal Year 2011-12 Recommended Budget
Auburn Urban Development Authority Debt Service Fund (Fund 33)

	ACTUAL 2009-10	ORIGINAL BUDGET 2010-11	ESTIMATED ACTUAL 2010-11	RECOMMENDED 2011-12
Revenues:				
Interest Income	$ -	-	-	-
Other Income	-	-	-	-
Transfers In - AUDA Bonds Issued	325,902	339,000	335,937	339,000
Total:	$ 325,902	339,000	335,937	339,000
Expenditures:				
Administrative Expenses	$ -	-	-	-
Services and Supplies	-	-	-	-
Debt Service	338,404	339,000	335,937	339,000
Transfers-Out	-	-	-	-
Total:	$ 338,404	339,000	335,937	339,000
Excess (deficit) of revenues over expenditures	$ (12,502)	-	-	-
Beginning Fund Balance	351,502	339,000	339,000	339,000
Ending Fund Balance	$ 339,000	339,000	339,000	339,000

RESOLUTION NO. 11-

RESOLUTION APPROVING OPERATING, CAPITAL PROJECT AND DEBT SERVICE BUDGETS FOR FISCAL YEAR 2011-12

THE AUBURN URBAN DEVELOPMENT AUTHORITY DOES HEREBY RESOLVE:

That the Auburn Urban Development Authority ("AUDA") does hereby adopt and approve appropriations for the AUDA Operating, Capital Project and Debt Service Funds, as set forth in the Fiscal Year 2011-121 Proposed Budget. Copies of these budget documents are available for review at the Office of the City Clerk.

DATED: June 27, 2011

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William W. Kirby, MD, Chair

ATTEST:

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Joseph G. R. Labrie, Secretary

I, Joseph G. R. Labrie, Secretary of the Auburn Urban Development Authority, hereby certify that the foregoing resolution was duly passed at a regular meeting of the Auburn Urban Development Authority held on the 27th day of June 2011 by the following vote on roll call:

Ayes:
Noes:
Absent:

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Joseph G. R. Labrie, Secretary