



ALAMEDA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT AGENCY

Chris Bazar
Agency Director

AGENDA ITEM NO. _____ June 22, 2010

June 8, 2010

Eileen Dalton
Redevelopment Director

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Board of Directors
Alameda County Redevelopment Agency
Administration Building
Oakland, CA 94612

Dear Board Members:

**SUBJECT: APPROVAL OF THE 2010/11 ALAMEDA COUNTY
REDEVELOPMENT AGENCY BUDGET**

RECOMMENDATION:

- 1) Approve the 2010/11 Redevelopment Agency Budget; and
- 2) Make the finding required under Health and Safety Code Section 33334.3(d) that the planning and administrative expenses associated with the Housing portion of the 2010/11 Redevelopment Agency Budget are necessary for the production, improvement or preservation of low and moderate-income housing.

DISCUSSION/SUMMARY:

The proposed Redevelopment Agency budget for 2010/11 includes the budget for the Alameda County / City of San Leandro Redevelopment Project Area ("Joint Project Area"), and for the Eden Redevelopment Project Area, as approved in the FY 2010/11 budget hearings.

The projects identified for funding in the proposed 2010/11 budget are consistent with those outlined in the Implementation Plans for both the Joint Project Area and the Eden Project Area. Citizen input was received and approval was recommended on the proposed sub-area budgets by the appointed Citizen Advisory Committees.

The Redevelopment Agency's FY 2010/11 budget of \$65.3M includes \$18.3M in projected tax increment, \$26.5M in prior year funds, \$2.7M in grant funds, \$17.1M in current and anticipated bond proceeds, and \$.7M in interest income. The Agency is projecting approximately \$1.1M decrease in projected tax increment from the prior fiscal year due to anticipated declining property values and a steep drop in supplemental assessment revenue.

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The Redevelopment Agency budget is presented in two general categories: Redevelopment Programs and Housing. Pursuant to Health and Safety Code Section 33334.3(d), the Redevelopment Agency must make a finding that planning and administrative expenses relating to the Housing portion of the budget are necessary for the production, improvements or preservation of low and moderate-income housing. A Redevelopment Agency Budget Summary is attached to provide more detailed information on each budget category.

FINANCING:

The 2010/11 Redevelopment Agency Budget will utilize tax increment funds generated by the Joint Project Area and the Eden Project Area.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Chris Bazar", with a long horizontal flourish extending to the right.

Chris Bazar, Executive Director
Alameda County Redevelopment Agency

cc: Susan Muranishi, County Administrator
Richard Winnie, County Counsel
Patrick O'Connell, Auditor-Controller
Louie Martinez, County Administrator's Office
Brian Washington, Office of the County Counsel
U. B. Singh, CDA Finance Director
Eileen Dalton, Director, Redevelopment Agency
Luke Sims, San Leandro Redevelopment Agency

2010-11 REDEVELOPMENT AGENCY BUDGET SUMMARY

Each of the following proposed programs and projects are consistent with the Five-Year Implementation Plans for the Alameda County – San Leandro Joint Redevelopment Project and the Eden Area Redevelopment Project.

Economic Development

The **Business Development Program** has been expanded into an **Economic Development Program** for the Redevelopment Agency. The Agency's Economic Development staff will continue to implement the Economic Development Strategic Plan, with an emphasis on retail attraction. Success of the expanded Chamber of Commerce continues to be monitored as well.

The **Commercial Property Improvement Program** provides financial assistance in the form of construction loans and/or grants for architectural services. The Program offers a tiered system to encourage both small and large projects. Tenants and owners can receive up to \$25,000 for the Awning, Sign and Paint Program (ASAP) to complete minor improvements, or up to \$80,000 in the Commercial Property Improvement Program (CPIP) for larger renovations. The Redevelopment Agency will also provide a grant up to \$10,000 towards architectural assistance to approved projects and will help the owner find a contractor. The proposed program funding can provide assistance ranging from 12 large projects to 40 small projects.

Marketing and Outreach funding will support the development and maintenance of the Redevelopment Agency website, the Agency newsletter, the development of marketing and informational materials for business attraction and expansion, retail conference workshop attendance, commercial and residential property owners, and seasonal street banners. In addition, the funding will support neighborhood events such as the Castro Valley Fall Festival, community beautification efforts, and Farmers Markets. This funding also supports the annual Mid-County Business Resource Fair and provides technical assistance classes and one-on-one consulting for small business owners.

Public Improvements

For the **Joint Project Area in Ashland**, the focus has shifted to land acquisition and development projects. The highest priority is the master planning, programming and construction of a Youth Center in Ashland. Funding has been allocated for the design of the second phase of the East 14th Street improvements which will extend from 162nd Avenue to Hwy 238. In addition, the Agency will facilitate the purchase of land from the County for the expansion of the Fairmont Terrace Park.

For the **Eden Area**, funds have been allocated in **Castro Valley** for the implementation of the Redevelopment Strategic Plan, streetscape improvements, shared parking and property acquisition. Design for the Castro Valley Streetscape Project is complete, and construction will commence in the Fall of 2010. In **Cherryland**, funding has been allocated for the construction of the Hampton Road Sidewalk Project and the design of Meekland Avenue, and for land acquisition, programming and design for a new Cherryland Community Center and new Cherryland Fire Station. In the **Foothill Sub-Area**, funding has been allocated for future street improvements now that neighborhood signage has been installed. In **Mt. Eden**, funding has been allocated pursuant to the Mt. Eden Annexation and Public Improvements Agreement approved in December 2006. In **San Lorenzo**, funding has

been allocated for the design and construction of the first phase of the Hesperian Streetscape Project (880 to just south of Via Mercado), to the redevelopment of the 19 acre San Lorenzo Town Center redevelopment project, library renovation and expansion, land acquisition, and sidewalk repair.

Redevelopment Projects

Predevelopment funding will support business development activities that could include property appraisals, site planning and market analysis for new commercial and residential development.

A substantial increase in the **Land Acquisition** budget reflects the Agency's growing funding and desire to acquire land for community, commercial and affordable housing development projects.

Neighborhood Improvement

The **Enhanced Code Enforcement** budget will continue funding one, full-time commercial code enforcement staff person to provide enhanced code enforcement activities in the Redevelopment Agency's commercial areas. Funds are also allocated from Cherryland for enhanced residential code enforcement. Additionally, funds are allocated to support a County operated graffiti abatement program.

Administration / HARD Passthrough/ Debt Service

Staff and Agency operational costs, legal counsel, financial consultant work and membership and training with the California Redevelopment Association are included in the Administration budget item. The Joint Project Area budget includes the annual passthrough payment to the Hayward Area Recreation District (HARD). The Eden Area budget includes a debt service payment for the \$35M Eden Area Tax Allocation Bonds, Series 2006A, and the statutory passthrough payment to taxing entities.

Housing

During the next year, the Agency will be working with the CAC's on a more detailed affordable housing development program. Redevelopment law requires that 20 percent of the total tax increment be set aside for affordable housing within the project area. The **Joint Project Area**, budget identifies funding for an affordable housing project. Agency staff is pursuing the acquisition of property for this project. The **Eden Area** budget identifies general Redevelopment Housing Program category to fund projects recently defined by each Sub-Area during the preparation of the Five Year Implementation Plans. These projects are generally as follows: **Castro Valley** affordable senior and multi-family projects, **Cherryland** in-fill, multi-family rehabilitation and home ownership projects; **Foothill** single-family rehabilitation; **San Lorenzo** affordable senior, multi-family and first-time homebuyer projects. All Project Areas identify a single family rehabilitation program. This program provides deferred and low interest loans to qualified low-income homeowners living in the Project Areas for rehabilitation of the homes.

Redevelopment Agency of the County of Alameda Budget

FY 2010/11 Budget

	Proposed 2010/11 Budget
Commercial Programs	
Economic Development	
Business Development Program	260,000
Commercial Property Improvement Program	825,000
Marketing & Outreach	165,000
Public Improvements	
Planning/Urban Design	50,000
Streetscape (streets, sidewalks, curb, gutter)	610,849
Utility Undergrounding	-
Community Facility (Park, Community Center)	1,802,023
Capital Improvement Replacement Fund	40,000
Other	1,216,885
Redevelopment Projects	
Predevelopment	325,000
Land Acquisition	1,293,372
Other	334,059
Neighborhood Improvement	
Enhanced Code Enforcement	260,000
Graffiti Abatement / Cleanup Day	98,500
Pass-Through Payment	3,142,618
Bond Debt Service	2,126,538
Other Debt Service	-
Administration (15% of TI)	1,660,098
Commercial Tax Increment Total	14,209,942
Other Revenue	-
Grant Funds	2,740,000
Prior Year Funds	23,950,000
Bond Proceeds	19,584,000
Interest Income	560,000
Commercial Total	61,043,942
Housing Setaside	
Redevelopment Housing Program	2,881,737
Single Family Rehab Program	610,000
Housing Subtotal	3,491,737
Debt Service	-
Administration (15%)	616,189
Housing Tax Increment Total	4,107,926
Interest Income	140,000
Housing Total	4,247,926
Tax Increment Total (Commercial + Housing)	18,317,868
BUDGET TOTAL	65,291,868

Alameda County - San Leandro Joint Redevelopment Project

FY 2010/11 Budget

	Proposed 2010/11 Budget
Commercial Programs	
Economic Development	
Business Development Program	65,000
Commercial Property Improvement Program	185,000
Marketing & Outreach	40,000
Public Improvements	
Planning/Urban Design	
Streetscape (streets, sidewalks, curb, gutter) ¹	250,000
Utility Undergrounding ²	
Community Facility (Park, Community Center)	1,445,446
Capital Improvement Replacement Fund	10,000
Other	
Redevelopment Projects	
Predevelopment	100,000
Land Acquisition	
Other	
Neighborhood Improvement	
Enhanced Code Enforcement	30,000
Graffiti Abatement / Cleanup Day	20,000
HARD Passthrough	256,998
Bond Debt Service	
Other Debt Service	
Administration (15% of TI)	378,608
Commercial Tax Increment Total	2,781,052
Other Revenue	
Grant Funds (E. 14th Design Grant)	640,000
Prior Year Funds (ERAF, Land Acquisition, Fairmont Park, E. 14th)	13,900,000
Bond Proceeds (Youth Center)	8,400,000
Interest	240,000
Commercial Total	25,961,052
Housing Setaside	
Redevelopment Housing Program	888,960
Single Family Rehab Program	150,000
Housing Subtotal	1,038,960
Debt Service	-
Administration (15%)	183,346
Housing Tax Increment Total	1,222,306
Interest Income	60,000
Housing Total	1,282,306
BUDGET TOTAL	27,243,358

Eden Area Redevelopment Project

Sub-Area Consolidated Budget

Castro Valley, Cherryland, Foothill, Mt. Eden, San Lorenzo

FY 2010/11 Budget

	Proposed 2010/11 Budget
Commercial Programs	
Economic Development	
Business Development Program	195,000
Commercial Property Improvement Program	640,000
Marketing & Outreach	125,000
Public Improvements	
Planning/Urban Design	50,000
Streetscape (streets, sidewalks, curb, gutter)	360,849
Utility Undergrounding	-
Community Facility (Park, Community Center)	356,577
Capital Improvement Replacement Fund	30,000
Other	1,216,885
Redevelopment Projects	
Predevelopment	225,000
Land Acquisition	1,293,372
Other	334,059
Neighborhood Improvement	
Enhanced Code Enforcement	230,000
Graffiti Abatement / Cleanup Day	78,500
Commercial Subtotal	-
Pass-Through Payment	2,885,620
Bond Debt Service	2,126,538
Debt Service	-
Administration (15% of TI)	1,281,490
Commercial Tax Increment Total	11,428,890
Other Revenue	
Grant Funds	2,100,000
Prior Year Funds	10,050,000
Bond Proceeds	11,184,000
Interest Income	320,000
Commercial Total	35,082,890
Housing Setaside	
Redevelopment Housing Program	1,992,777
Single Family Rehab Program	460,000
Housing Subtotal	2,452,777
Debt Service	-
Administration (15%)	432,843
Housing Tax Increment Total	2,885,620
Interest Income	80,000
Housing Total	2,965,620
BUDGET TOTAL	38,048,510

Eden Area Redevelopment Project

Cherryland Sub-Area

FY 2010/11 Budget

	Proposed 2010/11 Budget
Commercial Programs	
Economic Development	
Business Development Program	65,000
Commercial Property Improvement Program	100,000
Marketing & Outreach	40,000
Public Improvements	
Planning/Urban Design	50,000
Streetscape (streets, sidewalks, curb, gutter)	30,000
Utility Undergrounding	
Community Facility (Park, Community Center)	271,577
Capital Improvement Replacement Fund	10,000
Other	
Redevelopment Projects	
Predevelopment	100,000
Land Acquisition	700,000
Other	
Neighborhood Improvement	
Enhanced Code Enforcement	160,000
Graffiti Abatement / Cleanup Day	10,000
Pass-Through Payment	1,006,696
Bond Debt Service	996,814
Other Debt Service	
Administration (15% of Net TI)	447,069
Commercial Tax Increment Total	3,987,156
Other Revenue	
Grant Funds (Hampton Road)	2,100,000
Prior Year Funds (ERAF, Fire Station, Community Center)	1,920,000
Bond Proceeds (Boston Road, Meekland Ave)	784,000
Interest Income	121,280
Commercial Total	8,912,436
Housing Setaside	
Redevelopment Housing Program	655,692
Single Family Rehab Program	200,000
Housing Subtotal	855,692
Debt Service	
Administration (15%)	151,004
Housing Tax Increment Total	1,006,696
Interest Income	30,320
Housing Total	1,037,016
BUDGET TOTAL	\$ 9,949,452

Eden Area Redevelopment Project

Castro Valley Sub-Area

FY 2010/11 Budget

	Proposed 2010/11 Budget
Commercial Programs	
Economic Development	
Business Development Program	65,000
Commercial Property Improvement Program	340,000
Marketing & Outreach	40,000
Public Improvements	
Planning/Urban Design	
Streetscape (streets, sidewalks, curb, gutter)	
Utility Undergrounding ²	
Community Facility (Library)	
Capital Improvement Replacement Fund	10,000
Other (Castro Valley Redevelopment Strategic Plan)	
Redevelopment Projects	
Predevelopment	25,000
Land Acquisition	593,372
Other	
Neighborhood Improvement	
Enhanced Code Enforcement	30,000
Graffiti Abatement / Cleanup Day	27,500
Pass-Through Payment	784,745
Bond Debt Service	843,970
Other Debt Service	
Administration (15% of TI)	348,501
Commercial Tax Increment Total	3,108,088
Other Revenue	
Grant Funds	
Prior Year Funds (ERAF, Shared Parking, Land Acquisition)	3,425,000
Bond Proceeds(\$2.5 Daughtry's Financing, \$1.5 CV Library, \$5 CV Str)	9,400,000
Interest Income	79,360
Commercial Total	16,012,448
Housing Setaside	
Redevelopment Housing Program	587,033
Single Family Rehab Program	80,000
Housing Subtotal	667,033
Debt Service	
Administration (15%)	117,712
Housing Tax Increment Total	784,745
Interest Income	19,840
Housing Total	804,585
BUDGET TOTAL	\$16,817,033

Eden Area Redevelopment Project

San Lorenzo Sub-Area

FY 2010/11 Budget

	Proposed 2010/11 Budget
Commercial Programs	
Economic Development	
Business Development Program	65,000
Commercial Property Improvement Program	100,000
Marketing & Outreach	40,000
Public Improvements	
Planning/Urban Design	
Streetscape (Sidewalk Repair)	130,000
Utility Undergrounding	
Community Facility (Park, Community Center)	85,000
Capital Improvement Replacement Fund	10,000
Other (Village Square Development Project)	1,216,885
Redevelopment Projects	
Predevelopment	100,000
Land Acquisition	-
Other	-
Neighborhood Improvement	
Enhanced Code Enforcement	30,000
Graffiti Abatement / Cleanup Day	40,000
Pass-Through Payment	835,528
Bond Debt Service	285,754
Other Debt Service	-
Administration (15% of TI)	371,054
Commercial Tax Increment Total	3,309,221
Other Revenue	
Grant Funds	
Prior Year Funds (ERAF, Land Acquisition, Library)	4,614,000
Bond Proceeds(Hesperian Streetscape)	1,000,000
Interest Income	92,160
Commercial Total	9,015,381
Housing Setaside	
Redevelopment Housing Program	590,199
Single Family Rehab Program	120,000
Housing Subtotal	710,199
Debt Service	
Administration (15%)	125,329
Housing Tax Increment Total	835,528
Interest Income	23,040
Housing Total	858,568
BUDGET TOTAL	\$ 9,873,949

Eden Area Redevelopment Project

Foothill Sub-Area

FY 2010/11 Budget

	Proposed 2010/11 Budget
Commercial Programs	
Economic Development	
Business Development Program	
Commercial Property Improvement Program	100,000
Marketing & Outreach	5,000
Public Improvements	
Planning/Urban Design	
Streetscape (streets, sidewalks, curb, gutter)	200,849
Utility Undergrounding	
Community Facility (Park)	
Capital Improvement Replacement Fund	
Other	
Redevelopment Projects	
Predevelopment	
Land Acquisition	
Other	
Neighborhood Improvement	
Enhanced Code Enforcement	10,000
Graffiti Abatement / Cleanup Day	1,000
Pass-Through Payment	125,906
Bond Debt Service	
Other Debt Service	
Administration (15% of TI)	55,914
Commercial Tax Increment Total	498,669
Other Revenue	
Grant Funds	
Prior Year Funds (ERAF)	52,000
Bond Proceeds	
Interest Income	15,360
Commercial Total	566,029
Housing Setaside	
Redevelopment Housing Program	47,020
Single Family Rehab Program	60,000
Housing Subtotal	107,020
Debt Service	
Administration (15%)	18,886
Housing Tax Increment Total	125,906
Interest Income	3,840
Housing Total	129,746
BUDGET TOTAL	\$695,775

Eden Area Redevelopment Project

Mt. Eden Sub-Area

FY 2010/11 Budget

	Proposed 2010/11 Budget
Commercial Programs	
Economic Development	
Business Development Program	
Commercial Property Improvement Program	
Marketing & Outreach	
Public Improvements	
Planning/Urban Design	
Streetscape (streets, sidewalks, curb, gutter)	
Utility Undergrounding	
Community Facility (Park, Community Center)	
Capital Improvement Replacement Fund	
Other	
Redevelopment Projects	
Predevelopment	
Land Acquisition	
Other	334,059
Neighborhood Improvement	
Enhanced Code Enforcement	
Graffiti Abatement / Cleanup Day	
Pass-Through Payment	132,745
Bond Debt Service	
Other Debt Service	
Administration (15% of TI)	58,952
Commercial Tax Increment Total	525,756
Other Revenue	
Grant Funds	
Prior Year Funds (ERAF)	39,000
Bond Proceeds	
Interest Income	11,840
Commercial Total	576,596
Housing Setaside	
Redevelopment Housing Program	112,833
Single Family Rehab Program	
Housing Subtotal	112,833
Debt Service	
Administration (15%)	19,912
Housing Tax Increment Total	132,745
Interest Income	2,960
Housing Total	135,705
BUDGET TOTAL	\$ 712,301