

COMMUNITY DEVELOPMENT
COMMISSION



AMENDED
BUDGET

2009 – 2010

MISSION

To eliminate blighting conditions in the Rohnert Park Redevelopment Project Area and create an environment appropriate for economic development and to preserve, improve and increase the community's supply of low and moderate income housing, in accordance with the Community Redevelopment Law of the State of California.

GOALS AND RESPONSIBILITIES

The City Council of the City of Rohnert Park adopted Ordinance No. 479 on July 14, 1987 approving the Redevelopment Plan (the "Plan") for the Rohnert Park Redevelopment Project Area (the "Project Area"). The Project Area contains 1711 acres within the City of Rohnert Park, predominately on the west side of the railroad tracks (map attached as "Exhibit A"). The City Council created the Community Development Commission of the City of Rohnert Park ("CDC") which is responsible for the implementation of the Plan and the subsequent Five-Year Plans. The CDC is charged with the management and oversight of redevelopment activities, as it works to achieve the goals of the Plan and Five-Year Plans, and its compliance with the Community Redevelopment Law of the State of California ("CRL").

General Administration: The CDC Board, which consists of the same members as the City Council, is the policy making body for the CDC. The City Manager serves as the CDC's Executive Director while the daily management of the CDC is performed by the Housing & Redevelopment Manager. Other CDC officers include the Director of Administrative Services (serving as the finance officer), the City Clerk (serving as the CDC Secretary). The firm of McDonough, Holland and Allen acts as legal counsel to the CDC.

The CDC is responsible for compliance with and preparation of mandated reports such as the Annual Report, CDC Audit, State Comptroller Report, County Indebtedness Report, the Redevelopment Plan and the Five Year Implementation Plan. The CDC must perform its activities under the CRL and must monitor current legislation and respond as needed. The CDC must develop and monitor the CDC budget. The CDC is responsible to the community and the public for its actions.

Redevelopment Program Description: The CDC directs its resources to carry out redevelopment programs and projects for the benefit of the Project Area. The CDC is responsible for implementation of the Redevelopment Plan for the Rohnert Park Redevelopment Project Area and subsequent Five Year Plans.

Housing Program Description: The CDC Housing Program directs its resources to implement policies and programs for improving, increasing and preserving the supply of low and moderate income housing in the community in accordance with CRL. The

CDC must provide no less than 20% of its allocated tax increment toward this effort. The CDC oversees compliance with the preparation of mandated reports such as the annual Housing and Community Development Report and the Affordable Housing Production Plan.

RECENT KEY ACCOMPLISHMENTS

Redevelopment Activities

- The CDC authorized and approved an agreement with the Rohnert Park Chamber of Commerce for the provision of support services and programs that promote economic development and are consistent with the goals, objectives, and strategies described in the Rohnert Park Economic Development Action Plan.
- The CDC funded the cost for a new city website. Following the issuance of a Request for Proposals, Vision Internet was selected to create the new site. The new website enhances the image of the City, allows the public to more easily navigate the site, and gives staff the ability to update and manage their department's information. The new site has an increased emphasis on economic development, and when fully developed, will serve as a resource for those considering relocating, opening or expanding a business in the City of Rohnert Park.
- Construction of the City Center Downtown Plaza and Pedestrian Improvements is scheduled to be completed by June 30, 2009. The completion of this project will provide the foundation for a City Center that serves as the central community gathering place; a focal point for cultural, recreational, business and civic functions. This Project was funded, in part, by the CDC and leveraged with an award of \$1.15M from the Transportation for Living Communities Grant.
- The CDC completed a property substitution in order to acquire one of four parcels that serve as collateral for the Series 2003 Lease Revenue Refunding Bonds (the "2003 LRRBS") in order to facilitate the acquisition of assessor's parcel number 143-051-076; the City Center Parking Lot adjacent to the City Center Downtown Plaza. With this acquisition, the CDC owns 3 contiguous parcels totaling 2.96 acres. This acquisition brings the CDC closer to realizing the City Center Concept Plan which was adopted by the City Council per Resolution 2002-255 on November 12, 2002.
- The CDC provided funding for the Engineering Division's new Project Manager whose main focus will be on Redevelopment Projects within the City's Redevelopment Project Area. The CDC also was authorized to provide funding

for Construction Management services with Coastland Engineering to facilitate the City Center Plaza and Fire Station No. 1 Expansion Projects.

- The CDC authorized and approved an agreement with Glass Architects for the provision of design services for the Fire Station No. 1 Expansion project.
- The CDC provided funding for the Corridor Studies Project. Staff worked with the design consultant and the Community Design Subcommittee to host a community outreach session to solicit input from members of the public, local business people and property owners. Following the session, the design consultants finalized the conceptual plan and the implementation plan which was subsequently presented to the Planning Commission.
- The CDC provided funding through a loan to the City of Rohnert Park for construction of the Eastside Trunk Sewer Line - Phase I which was completed in November 2008.

Housing Activities:

- Construction of Vida Nueva, the first 100% permanent supportive housing development in Sonoma County, was completed in November 2008. The 24-unit Vida Nueva began moving in its first tenants in December 2008.
- The CDC approved a Subordination Agreement with Vida Nueva LLC giving them the ability to leverage Mental Health Services Act funding with CDC funds in order to provide permanent "on-site" supportive housing services to Vida Nueva residents.
- The CDC approved and authorized a Request for Proposals for the purpose of identifying qualified developers to construct an Affordable Housing Project on 100 Avram Avenue, 120 Avram Avenue and 6750 Commerce Boulevard. Following interviews with each of the development teams, the CDC requested staff conduct further analysis of the project prior to solicitation and subsequent award of a contract.
- The CDC provided funding to the Committee on the Shelterless (COTS) to complete necessary improvements to two (2) of the CDC-owned shared living homes that are managed by COTS. These improvements serve to protect the health, safety and welfare of the individuals and families that reside in the shared living homes while transitioning from homelessness.
- The CDC received \$150,000 against the total \$600,000 CalHome award to operate an owner-occupied rehabilitation program. The program offers long-term

deferred loans for low-income residents of Rohnert Park. Once the proceeds from the first draw are expended CDC staff will submit the second draw request to the State of California Housing and Community Development Department (HCD).

- CDC staff worked with consultants from Dyett and Bhatia to draft an update of the Housing Element to cover the next planning cycle from 2007-2014. A draft of the Housing Element has been submitted to HCD for comments and the CDC anticipates that once HCD's comments are addressed the Housing Element will be certified by HCD.
- The CDC authorized and approved continued participation with the nine other jurisdictions within Sonoma County that comprise the parties to a Cooperative Agreement with the Sonoma County Community Development Commission ("SCCDC") to allow Rohnert Park residents to be eligible to qualify for the Mortgage Credit Certificate Program (the "MCC Program").

Other City Accomplishments in Housing of Benefit to the CDC:

- The City of Rohnert Park adopted City Council resolution 2009-38 on April 14, 2009 approving a Cooperative Agreement with the County of Sonoma to implement the Sonoma County Energy Independence Program allowing Rohnert Park residents the ability to participate in the program.

FY 2009/10 KEY OBJECTIVES

Redevelopment:

- FY 2009/10 Key Objectives will be incorporated once the CDC has established its priorities and adopted a Five-Year Implementation Plan. The projects and programs of the Five-Year Plan will be accomplished utilizing the Series 2007 Redevelopment Tax Allocation Bond proceeds and tax increment.

Housing:

- FY 2009/10 Key Objectives will be incorporated once the CDC has established its priorities and adopted a Five-Year Implementation Plan. The projects and programs of the Five-Year Plan will be accomplished utilizing the Series 2007 Housing Tax Allocation Bond proceeds and the housing set-aside.

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REDEVELOPMENT FUND:

▪ **Tax Increment Revenues**

For 2009-10, budgeted tax increment revenues have decreased slightly to \$7,700,000 based on the 2008-09 actual receipts and an anticipated -1.0% growth rate. \$2,396,000 is transferred to the Housing Fund for the 20% set aside requirement.

▪ **Expenditures/Transfers**

The expenditures in the Redevelopment Fund are as follows:

Dues & subscriptions	\$ 4,000
Advertising/Publications	5,000
Travel & Meetings	5,000
Trustee fees for the three bond issues	14,500
County property tax administration fee	130,000
Auditing Fees	4,000
Legal Fees	20,000
Consultant fees	50,000
Sonoma County Tourism (1)	50,000
Chamber of Commerce (1)	50,000
Economic Development	50,000
*Proposed Construction Projects (see below)	0
Golf Course Capital Improvement Fund Contribution (2)	25,000
Neighborhood Enhancement	5,000
Transfer to General Fund (administration)	734,000
Housing & Redevelopment Salaries	90,116
Interest payment to City for loan from General Fund (3)	201,060
Principal payment to City for loan from General Fund (3)	76,000
Three land lease payments to City (4)	241,000
Shift of CDC funds to ERAF	4,108,698
Debt service pmts/1991 & 2001 TARBS	773,094
Debt service pmts/2003 LRRB	439,880
Debt service pmts/ 1999 Tax Allocation Bonds	387,790
Debt service payment / 2007R Tax Allocation Bonds	<u>1,959,979</u>
 Total	 <u>\$ 9,424,117</u>

Redevelopment Notes:

(1) The contributions to the Sonoma County Tourism Council and Chamber of Commerce are funded through the Commission to support economic development in the redevelopment area.

(2) The City has a lease agreement with CourseCo Inc. for the management of the two City municipal golf courses. As part of the lease agreement, the City is required to make an annual contribution of 1% of golf revenue to the Capital Improvement Fund for future golf course capital improvements. The contribution requirement commenced January 2005 and increases to 2% on January 2014 through the end of the term. Since the golf course is in the redevelopment project area, the Commission will use tax increment to fund the contribution requirement. For the 2009/10 budget, this contribution is estimated at \$25,000.

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(3) In 1990, the Commission and the City entered into three (3) loan agreements for the construction of the Performing Arts Center. All loans provided for a 15-year payback of principal and interest. As part of the 1999 Certificate of Participation (COP) issuance to fund the construction of a New City Hall, these loans were renegotiated and combined into one loan and the term of repayment was extended to 2024 to match the 25-year repayment schedule of the City Hall COP's. For 2009/10, the Commission will pay the City \$277,060 which includes both principal and interest. The outstanding balance of the loan on June 30, 2010 will be \$2,158,000.

(4) In addition to the loan, the Commission makes lease payments to the City in the amount of \$80,333 per year for the city owned land occupied by the Performing Arts Center, and \$160,666 for the land on which the Community Center and Sports Center are located.

***Proposed Construction Projects:**

Project	FY 2009/10 Request	Amount Approved
Total	<u>\$ 0</u>	

HOUSING FUND:

- **Transfer from Redevelopment Fund/Interest Earned**
The Redevelopment Fund, pursuant to State law, must transfer 20% of the gross tax increment (less certain adjustments) to the Housing Fund each year. For 2009/10 the amount of the transfer is estimated to be \$2,396,000.

- **Expenditures/Transfers**
The expenditures in the Housing Fund are as follows:

Dues and Subscriptions	\$ 4,500
Travel & meetings	5,000
Trustee fees for Tax Allocation Refunding Bonds (20%)	3,000
20% of property tax administration fee	30,000
Auditing Fees	4,000
Legal Fees	40,000
Consultant Fees	50,000
CDC Owner-Occupied Housing Rehabilitation Program (1)	100,000
CalHome Program (2)	450,000
COTS Program Supplemental Support (3)	76,970
COTS Support Services (3)	4,000
COTS – Emergency Repairs & Maintenance	10,000
COTS Vida Nueva (4)	75,000
Rebuilding Together (5)	70,000
S.C.A.Y.D. / Homeless Prevention Grant (6)	130,000
SCCDC – 2009 Homeless Count	2,194
**Proposed Housing Projects (see below)	0
Transfer to General Fund (administration)	576,000
Housing & Redevelopment salaries	90,116
Debt service 1991/2001 TABS (20%)	193,294
Debt service pmts/2007 Housing TABS	<u>734,006</u>
Total	<u>\$ 2,648,060</u>

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****Proposed Housing Projects**

Project	FY 2009/10 Request	Amount Approved
Total	<u>\$0</u>	

Housing Notes:

- (1) The CDC provides funding to the Sonoma County Community Development Commission for the administration of the CDC Owner Occupied Housing Rehabilitation Program. Housing set-aside funds, allocated per annual agreement, provide capital for the loans and fund administrative costs associated with the program.
- (2) The CDC was awarded a grant in the amount of \$600,000 to provide funding for a CalHome Owner-Occupied Rehabilitation Program administered by the Department of Housing and Community Development. The funding for this program was provided by the passage of Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006. These funds provide capital for the loans and fund administrative costs associated with the program.
- (3) The CDC provides five CDC owned homes to the Committee on the Shelterless (COTS) for the COTS Transitional Housing Program.
- (4) The CDC provides financial assistance to the Committee on the Shelterless (COTS) for social services provided as part of the Vida Nueva Affordable Housing Project.
- (5) Rebuilding Together rehabilitates the homes of low income homeowners who are physically and financially unable to make the repairs themselves. These services are provided at no cost to the homeowner.
- (6) Sonoma County Adult and Youth Development (SCAYD) provide homeless prevention services.

Outstanding Debt:

The outstanding debt \$85,419,011 of the CDC as of 6/30/09 is as follows:

▪ 1991 Tax Allocation Refunding Bonds (Matures 2011)	\$ 1,365,245
▪ 2001 Tax Allocation Refunding Bonds (Matures 2020)	\$ 6,476,032
▪ Lease Revenue Refunding Bonds (Matures 2025)	\$ 4,711,569
▪ 1999 Tax Allocation Bonds (Matures 2024)	\$13,539,632
▪ General Fund Loan (Matures 2024)	\$ 2,234,000
▪ 2007 Tax Allocation Bonds (Matures 2037)	\$56,509,602

Note: The CDC is able to collect tax increment only to the extent that is required to repay its existing debt obligations, i.e. the CDC must be in debt to receive tax increment revenue.

COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF ROHNERT PARK
AMENDED CASH FLOW STATEMENT
2009/10 Estimated Budget

	Fund 910 Redevelopment Fund	Fund 911 Low & Moderate Housing Fund
Cash Balance, July 1, 2009		
Low & Moderate Income Housing Fund Improvement Project Fund		
Interest earned cash - tax increment	\$566,970	
Cash from tax increment	\$5,824,733	
 ANTICIPATED SOURCES OF CASH		
Property Tax Increment	\$7,700,000	
Housing set-aside	(\$2,396,000)	\$2,396,000
Set-Aside Shortfall	\$0	\$0
CalHome Program		\$450,000
Operating Reserve (15%)	(\$1,171,500)	
Interest from investments		
Interest from loan repayments		
Loan payoffs		
Principal payments		
 Total Anticipated Sources of Cash	\$10,524,203	\$2,846,000
 ANTICIPATED USES OF CASH		
Dues & Subscriptions	\$4,000	\$4,500
Advertising/Publications	\$5,000	
Travel & Meetings	\$5,000	\$5,000
Contractual services:		
Trustee fees/bond issues	\$14,500	\$3,000
County property tax admin fee	\$130,000	\$30,000
Auditing Fees	\$4,000	\$4,000
Legal expense	\$20,000	\$40,000
Consultant Fees	\$50,000	\$50,000
Sonoma County Tourism	\$50,000	
Chamber of Commerce	\$50,000	
Economic Development	\$50,000	
Homeless Services (Grants):		
S.C.A.Y.D.		\$130,000
Neighborhood Enhancement	\$5,000	
Preservation of Housing:		
Housing Rehabilitation (Loans)		\$100,000
Rebuilding Together		\$70,000
Shared Living Homes		
COTS Support Services		\$4,000
COTS Program Supplemental Support		\$76,970
COTS Vida Nueva		\$75,000
COTS - Emergency Repairs/Maint.		\$10,000
SCCDC - 2009 Homeless Count		\$2,194
CalHome Program		\$450,000
Proposed Housing Programs (non-bond)		
Vida Nueva Loan - Final Installment		
Proposed Capital Improvement Projects (non-bond)		
Golf Course CIP Fund Contribution	\$25,000	
Payments to City of Rohnert Park:		
Administration fee-City general fund	\$734,000	\$576,000
Allocation for Housing & Redevelopment Salaries	\$90,116	\$90,116
Allocation for Council Meetings		
GF loan interest payments	\$201,060	
GF loan principal payments	\$76,000	
Land lease payments (3)	\$241,000	
Debt service pmts/1991 & 2001 TABS	\$773,094	\$193,274
Debt service pmts/2003 LRRB	\$439,880	
Debt service pmts/1999 TABS	\$387,790	
Debt service pmts/2007 TABS	\$1,959,979	\$734,006
Shift of RDA Funds to ERAF	\$4,108,698	
 Total Anticipated Uses of Cash	\$9,424,117	\$2,648,060
 Cash Balance, June 30, 2010, Estimated	\$1,100,086	\$197,940