

SAN FERNANDO REDEVELOPMENT AGENCY

ASSET TRANSFER REVIEW

Review Report

January 1, 2011, through January 31, 2012



BETTY T. YEE
California State Controller

March 2015



BETTY T. YEE
California State Controller

March 24, 2015

Nick Kimball, Finance Director
San Fernando Redevelopment/Successor Agency
117 MacNeil Street
San Fernando, CA 91340

Dear Mr. Kimball:

Pursuant to Health and Safety Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the San Fernando Redevelopment Agency (RDA) to the City of San Fernando (City) or any other public agency after January 1, 2011. This statutory provision states, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether the asset should be turned over to the Successor Agency.

Our review applied to all assets including, but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. We also reviewed and determined whether any unallowable transfers to the City or any other public agency have been reversed.

Our review found that the RDA transferred \$14,423,469 in assets after January 1, 2011, including unallowable transfers to the City totaling \$1,582,398, or 10.97% of transferred assets.

However, on June 12, 2014, the California Department of Finance approved the Successor Agency's Long-Range Property Management Plan, which included previously unallowed asset transfers of \$1,353,398. Therefore, the remaining \$229,000 in unallowable transfers must be turned over to the Successor Agency.

If you have any questions, please contact Elizabeth González, Chief, Local Government Compliance Bureau, by telephone at (916) 324-0622 or by email at egonzalez@sco.ca.gov.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/sk

cc: John Naimo, Auditor-Controller

Los Angeles County

Judith Frank, Chairperson

Oversight Board of San Fernando Redevelopment Successor Agency

David Botelho, Program Budget Manager

California Department of Finance

Richard J. Chivaro, Chief Legal Counsel

State Controller's Office

Elizabeth González, Bureau Chief

Division of Audits, State Controller's Office

Scott Freesmeier, Audit Manager

Division of Audits, State Controller's Office

John Mellas, Auditor-in-Charge

Division of Audits, State Controller's Office

Keith DeAnda, Auditor

Division of Audits, State Controller's Office

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Asset Transfer Review Report

Summary

The State Controller's Office (SCO) reviewed the asset transfers made by the San Fernando Redevelopment Agency (RDA) after January 1, 2011. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payments of any kind from any source.

Our review found that the RDA transferred \$14,423,469 in assets after January 1, 2011, including unallowable transfers to the City of San Fernando (City) totaling \$1,582,398, or 10.97% of transferred assets.

However, on June 12, 2014, the California Department of Finance approved the Successor Agency's Long Range Property Management Plan, which included previously unallowed asset transfers of \$1,353,398. Therefore, the remaining \$229,000 in unallowable transfers must be turned over to the Successor Agency.

Background

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA successor agencies and oversight boards to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (*California Redevelopment Association et al. v. Matosantos*), upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

ABX1 26 was codified in the Health and Safety (H&S) Code beginning with section 34161.

H&S Code section 34167.5 states in part, ". . . the Controller shall review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency."

The SCO identified asset transfers that occurred after January 1, 2011, between the RDA, the City and/or any other public agency. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal action to ensure compliance with this order.

Objective, Scope, and Methodology

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency's operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the City, the RDA, the Successor Agency, and the Oversight Board.
- Reviewed accounting records relating to the recording of assets.
- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.
- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

Conclusion

Our review found that the San Fernando Redevelopment Agency transferred \$14,423,469 in assets after January 1, 2011, including unallowable transfers to the City of San Fernando totaling \$1,582,398, or 10.97% of transferred assets.

However, on June 12, 2014, the California Department of Finance approved the Successor Agency's Long-Range Property Management Plan, which included previously unallowed asset transfers of \$1,353,398. Therefore, the remaining \$229,000 in unallowable transfers must be turned over to the Successor Agency.

Details of our finding are described in the Finding and Order of the Controller section of this report.

Views of Responsible Officials

We issued a draft report on December 4, 2014. Nick Kimball, Finance Director, responded by letter dated December 12, 2014. The City's response is included in this final review report as an attachment.

Restricted Use

This report is solely for the information and use of the City of San Fernando, the Successor Agency, the Oversight Board, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

March 24, 2015

Finding and Order of the Controller

FINDING— Unallowable asset transfers to the City of San Fernando

The San Fernando Redevelopment Agency (RDA) made unallowable asset transfers of \$1,583,398 to the City of San Fernando (City). The transfers occurred after January 1, 2011, and the assets were not contractually committed to a third party prior to June 28, 2011.

Unallowable asset transfers were as follows:

- On June 30, 2011, the RDA transferred \$1,000,000 in Land Held for Resale to the City.
- On March 7, 2011, the RDA transferred \$353,398 in capital assets from non-housing funds to the City.
- On May 25, 2011, the RDA transferred \$229,000 in cash to the City as payment on a start-up loan with the City for Project Area 4.

Pursuant to H&S Code section 34167.5, the RDA may not transfer assets to a city, county, city and county, or any other public agency after January 1, 2011. The assets must be turned over to the Successor Agency for disposition in accordance with H&S Code section 34177(d).

Order of the Controller

Pursuant to H&S Code section 34167.5, the City is ordered to reverse the transfers totaling \$1,582,398 and turn over the assets to the Successor Agency. However, on June 12, 2014, the Successor Agency's Oversight Board approved the Successor Agency's Long-Range Property Management Plan, which included previously unallowed asset transfers of \$1,353,398. The Long-Range Property Management Plan was approved by the California Department of Finance on July 9, 2014.

Therefore, the remaining \$229,000 in unallowable transfers must be turned over to the Successor Agency.

City's Response

The City responded that loan payments were allowable under Health and Safety Code section 34171(d)(G)(2) because the loan originated within two years of the Redevelopment Agency's adoption of its plan in 1994.

However, it is the City's position that the remaining \$229,000 "unallowable" transfer identified in the Order of the Controller is an enforceable obligation per Health & Safety Code, Section 34171(d)(G)(2), which states, in part, "... Notwithstanding this paragraph, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created it, within two years of the date of creation of the redevelopment agency, may be deemed to be enforceable obligations." Per documentation provided during the review, the Redevelopment Plan was adopted on 7/18/1994 and the startup loans were authorized by the City on 6/6/1994 and 6/20/1994.

See the Attachment to this report for the City's complete response.

SCO's Comment

The SCO's authority under H&S Code section 34167.5 extends to all assets transferred after January 1, 2011, by the RDA to the city or county, or city and county that created the RDA, or any other public agency. This responsibility is not limited by the other provisions of the redevelopment dissolution legislation. As a result, the cash transfers made by the RDA to the City during the period of January 1, 2011, through January 31, 2012, were unallowable.

Pursuant to H&S Code section 34191.4, the Successor Agency can utilize the Recognized Obligation Payment Schedule process to obtain authorization on repaying the \$229,000 in loan payments to the City, provided that the Oversight Board finds that the loans were for legitimate redevelopment purpose.

The Finding and Order of the Controller remain as stated.

**Schedule 1—
Unallowable Asset Transfers to
the City of San Fernando
January 1, 2011, through January 31, 2012**

Land Held For Resale:	
1320 San Fernando Road (APN 2521-016-900)	\$ 1,000,000
Capital Assets - Land (RDA Other Non-Housing Parcels):	
City Parking Lot No. 10 (APN 2522-004-905)	5,505
City Parking Lot No. 10 (APN 2522-014-901)	30,020
City Parking Lot No. 8 (APN 2522-014-900)	103,454
City Parking Lot No. 5 (APN 2521-034-905)	—
City Parking Lot No. 6N Street (APN 2519-001-903)	78,479
City Parking Lot No. 3 (APN 2521-031-903)	30,710
City Parking Lot No. 11 (APN's 2522-003-900, 2522-003-901, 2522-003-902, 2522-003-903)	70,503
City Parking Lot No. 12 (APN's 2522-003-904, 2522-003-905)	<u>34,727</u>
Total Capital Assets - Land (RDA Other non-housing Parcels)	353,398
Cash to City for Project 4 Start-up Loan Payment	<u>229,000</u>
Total Unallowable Asset Transfers	1,582,398
Less assets on the Successor Agency's Long-Range Property Management Plan	
Capital Assets from Other Non-Housing Parcels	(353,398)
Land Held for Resale	<u>(1,000,000)</u>
Total Transfers Subject to H&S Code section 34167.5	<u>\$ 229,000</u>

**Attachment—
City of San Fernando's Response to
Draft Review Report**

THE CITY OF SAN FERNANDO

CITY COUNCIL

December 12, 2014

MAYOR
SYLVIA BALLIN

Elizabeth Gonzalez, Chief, Local Government Compliance Bureau
State Controller's Office, Division of Audits

MAYOR PRO TEM
ROBERT C. GONZALES

PO Box 942850
Sacramento, CA 94250-5874

COUNCILMEMBER
JESSE H. AVILA

Subject: Comments on Draft Asset Transfer Review

COUNCILMEMBER
JOEL FAJARDO

Dear Ms. Gonzalez:

COUNCILMEMBER
ANTONIO LOPEZ

I received a draft of the State Controller's Office *Asset Transfer Review Report* on December 10, 2014. Please accept this correspondence as the City's comments concerning the draft report's finding.

FINDING – Unallowable asset transfers to the City of San Fernando

Management Response. A portion of the \$1,583,398 in assets transferred to the City during the review period were subsequently approved by the Oversight Board and Department of Finance as part of the City's Long-Range Property Management Plan. Therefore, the City agrees with the State Controller's Office decision to exclude \$1,353,398 (the amount approved in the Long-Range Property Management Plan) from the Order of the Controller.

However, it is the City's position that the remaining \$229,000 "unallowable" transfer identified in the Order of the Controller is an enforceable obligation per Health & Safety Code, Section 34171(d)(G)(2), which states, in part, "... Notwithstanding this paragraph, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created it, within two years of the date of creation of the redevelopment agency, may be deemed to be enforceable obligations." Per documentation provided during the review, the Redevelopment Plan was adopted on 7/18/1994 and the startup loans were authorized by the City on 6/6/1994 and 6/20/1994.

The pertinent sections of the Redevelopment Plan and documentation of loan/amortization schedule establishing the startup loan as a 34171(d)(G) enforceable obligation (as opposed to a 34191.4(b) obligation) are included as Attachments A and B, respectively.

Please contact me if you have any additional questions.

FINANCE
DEPARTMENT

Sincerely,

117 MACNEIL STREET
SAN FERNANDO
CALIFORNIA
91340



Nick Kimball
Finance Director

(818) 898-1200

Attachment A - Redevelopment Plan

Redevelop Plan for Redevelopment Project Area No. 4



A. (§500) GENERAL DESCRIPTION OF THE PROPOSED FINANCING METHOD

Upon adoption of this Plan by the City Council, the Agency, if it deems appropriate, is authorized to finance this Project with assistance from the City of San Fernando, Los Angeles County, State of California, United States Government, any other public agency, property tax increments, interest revenue, income revenue, Agency-issued notes and bonds, or from any other available sources of financing which are legally available and do not conflict with the objectives of this Plan.

The City may, in accordance with the law, supply advances and expend money as necessary to assist the Agency in carrying out this Project. Such assistance shall be on terms established by an agreement between the City of San Fernando and the San Fernando Redevelopment Agency.

B. (§510) TAX INCREMENTS

Pursuant to CRL Section 33670, for a period not to exceed forty-five (45) years from the date of adoption of this Plan, or such longer time as otherwise provided by the CRL, all taxes levied upon taxable property within the Project Area each year by or for the benefit of the State of California, County of Los Angeles, City of San Fernando, any district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the Ordinance approving this Plan (see Appendix C), or any amendment thereto, shall be divided as follows:

1. That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of said taxing agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency, last equalized prior to the effective date of such ordinance, shall be allocated to and when collected shall be paid into the

funds for the respective taxing agencies as taxes by or for said taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory of the Project Area on the effective date of such ordinance but to which such territory is annexed or otherwise included after such effective date the assessment roll of the County equalized on the effective date of said ordinance shall be used in determining the assessed valuation of the taxable property in the Project Area on said effective date); and,

2. Except as provided in paragraphs (3), (4) and (5) below, that portion of the levied taxes each year in excess of such amount shall be allocated to and when collected shall be paid into a special fund of the Agency to pay the principal of and interest on bonds, loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Agency to finance or refinance, in whole or in part, this Project Area. Unless and until the total assessed value of the taxable property in the Redevelopment Project exceeds the total assessed value of the taxable property in the Redevelopment Project, as shown by the last equalized assessment roll referred to in paragraph (1) above, all of the taxes levied and collected upon the taxable property in the Project Area shall be paid into the funds of the respective taxing agencies. When said bonds, loans, advances and indebtedness, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in the Redevelopment Project shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid; and
3. That portion of the taxes identified in paragraph (2) above, which are attributable to a tax rate levied by any of said taxing agencies for the purpose of providing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that taxing agency. This paragraph shall only apply to taxes levied to repay bonded indebtedness approved by the voters of said taxing agency or agencies on or after January 1, 1989.
4. That portion of tax revenues allocated to the Agency pursuant to paragraph (2) above which is attributable to increases in the rate of tax imposed for the benefit of any affected taxing agency whose levy occurs after the tax year

in which the ordinance adopting this Plan becomes effective, shall be allocated to such affected taxing agency to the extent the affected taxing agency has elected in the manner required by law to receive such allocation.

5. That portion of tax revenues allocated to the Agency pursuant to paragraph (2) above which is attributable to the tax rate levied for that tax override fund commonly known as the "Retirement Fund of the City of San Fernando," shall be allocated to, and when collected shall be paid into, the "Retirement Fund of the City of San Fernando."

Any advanced moneys are hereby irrevocably pledged for the payment of the principal of and interest on the advance of moneys, or making of loans, or the incurring of any indebtedness (whether funded, refunded, assumed, or otherwise) by the Agency to finance or refinance the Project in whole or in part.

The Agency is authorized to make such pledges as to specific advances, loans and indebtedness as appropriate in carrying out the Project. Taxes shall be allocated and paid to the Agency consistent with the provisions of this Plan only to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Agency to finance or refinance, in whole or in part, the Project.

Taxes levied in a Project Area and allocated to the Agency as provided in CRL Section 33670 may, to the greatest extent legally allowable, be used anywhere within the territorial jurisdiction of the Agency to finance the construction or acquisition of public improvements which will enhance the environment of a residential neighborhood containing housing for persons and families of low- or moderate-income, and public improvements which will be of benefit to the Project Area.

C. (§520) ISSUANCE OF BONDS AND NOTES

The Agency may issue bonds or notes when a determination has been made that such financing is required and feasible. Such bonds or notes shall be issued only after the Agency has determined that funds are, or will be, available to repay or refinance principal and interest when due and payable.

Attachment B - Initial Loan Docs?
Amortization schedule

RESOLUTION NO. 532

A RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY
AMENDING THE BUDGET FOR THE 1993-94 FISCAL YEAR

WHEREAS, Resolution No. 500 approving the budget for fiscal year 1993-94 was adopted on June 25 1993; and

WHEREAS, the Executive Director has recommended, and the Agency Board desires, to approve certain amendments to said budget.

NOW, THEREFORE, BE IT RESOLVED by the Agency Board of the Redevelopment Agency of the City of San Fernando that the Director of Finance is authorized to record interfund cash transfers as requested in accordance with this resolution, and Resolution No. 471 adopting the budget for fiscal year 1993-94 is hereby amended as follows:

1. ADDITION

Account Number	Account Name	Amount
93-650-0000-4300	Professional Service	\$50,000
Fund: Project No 4		

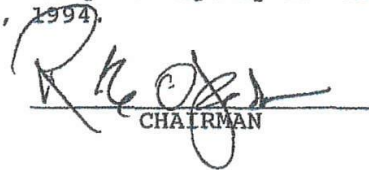
2. PURPOSE

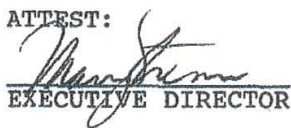
To provide funds for feasibility of and creation of Project Area No. 4 with loan from General Fund.

2. SOURCE

Account Number	Account Name	Amount
93-2401	Available Fund Bal (Tran Fm Gen Fd)	\$50,000
Fund: Project No 4		

PASSED AND ADOPTED by the Redevelopment Agency of the City of San Fernando this 6th day of June, 1994.


CHAIRMAN

ATTEST:

EXECUTIVE DIRECTOR

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I, Mary Strenn, Executive Director of the Redevelopment Agency of the City of San Fernando, do hereby certify that the foregoing resolution was duly adopted by the Agency Board and signed by the Chairman of said City at a meeting held on the 6th day of June, 1994; and that the same was passed by the following vote to-wit:

AYES: Ojeda, Wysbeek, Godinez, Baltierrez, Chacon - 5
NOES: None - 0
ABSENT: None - 0


EXECUTIVE DIRECTOR

RESOLUTION NO. 537

**RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY,
APPROVING A BUDGET FOR THE 1994-95 FISCAL YEAR AND ACCEPTING
LOANS FROM THE CITY OF SAN FERNANDO TO THE AGENCY'S
ADMINISTRATIVE FUND AND AUTHORIZING EXPENDITURES THEREFROM.**

WHEREAS, the Proposed budget of the San Fernando Redevelopment Agency (the "Agency") for Fiscal Year 1994-95 is attached hereto as Exhibit "A" (the "Budget"), and by this reference is incorporated herein; and

WHEREAS, Section 33445 of the Law provides, in pertinent part, that an Agency may, with the consent of the City Council, pay all or part of the cost of the installation and construction of any building, facility, structure or other improvement which is publicly owned, either within or without the Project Areas, upon a determination by the City Council that such buildings, facilities, structures, or other improvements are of benefit to the Project Area or the immediate neighborhood in which the Project Area is located, and that no other reasonable means of financing such buildings, facilities, structures or other improvements are available to the community; and

WHEREAS, said Section 33445 of the Law authorizes the Agency to borrow funds from the City in furtherance of the Agency's activities and functions; and

WHEREAS, the Fiscal Year 1994-95 Loan Agreements documenting such loan is attached hereto as Exhibit "B" and by this reference incorporated herein; and

WHEREAS, reimbursement agreements between the City and Agency for certain public improvements are attached hereto as Exhibit "C" or are already in existence and by reference incorporated herein.

NOW, THEREFORE, BE IT HEREBY RESOLVED, DETERMINED AND ORDERED BY THE AGENCY BOARD OF THE SAN FERNANDO REDEVELOPMENT AGENCY AS FOLLOWS:

Section 1. That the Budget attached hereto as Exhibit "A" is hereby adopted and approved as the 1994-95 Fiscal Year Budget of the Agency.

Section 2. The Agency hereby determines that the construction of the public improvements funded in the Agency's 1994-95 Fiscal Year Budget are of benefit to the Project Areas, the surrounding neighborhoods in which the Project Areas are located and the entire community of the City of San Fernando.

Section 3. The Agency determines that it is appropriate to finance said public improvements, contingent only upon the City Council of the City of San Fernando adopting its resolution finding

that the improvements are of benefit to the Project Areas, the surrounding neighborhoods in which the Project Areas are located and the entire community of the City of San Fernando and there are no other reasonable means of financing such improvement activities.

Section 4. That the loan from the City of San Fernando of \$483,000 appropriated to the Agency Administrative Fund as set forth in said Budget, is hereby accepted by the Agency, and the Agency acknowledges that said loan constitutes indebtedness of the Agency within the meaning of Article 6, Chapter 6, of the Law.

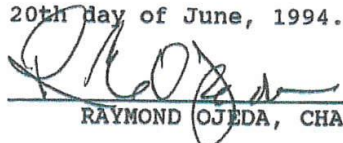
Section 5. The expenditure of monies from the Agency Administrative Fund as set forth in said Budget is hereby authorized, subject to expenditures in substantially the same manner as money drawn by other agencies and departments of the City of San Fernando subject to budgetary control.

Section 6. The Agency agrees to reimburse the City for certain costs of public improvements as identified in Exhibit "C", and for other costs established by other existing reimbursement agreements, and said reimbursement constitutes indebtedness of the Agency.

Section 7. As required by the Law, the Agency shall file annually with the City a detailed report of all of its transactions with respect to the Agency Administrative Fund, including a statement of all revenues and expenditures. This requirement may be met by the filing of the report required by Section 33080.1 of the Law.

Section 8. The Chairman and the Executive Director are hereby authorized to execute the Loan Agreement attached hereto as Exhibit "B" and reimbursement Agreements attached hereto as Exhibit "C", on behalf of the Agency as the Agency;s act and deed.

PASSED, APPROVED, AND ADOPTED this 20th Day of June, 1994.


RAYMOND OJEDA, CHAIRMAN


ATTEST:


MARY STRENN, EXECUTIVE DIRECTOR

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SAN FERNANDO)

I, MARY STRENN, Executive Director of the Redevelopment Agency, do hereby certify that the foregoing Resolution No. 537 was duly adopted by the Agency and signed by the Chairman of said Board at a meeting held on the 20th day of June, 1994; and that the same was passed by the following vote to-wit:

AYES: Baltierrez, Chacon, Godinez, Wysbeek, Ojeda - 5
NOES: None - 0
ABSENT: None - 0
ABSTAIN: None - 0



MARY STRENN, EXECUTIVE DIRECTOR

SAN FERNANDO REDEVELOPMENT AGENCY
FISCAL YEAR 1994-95 BUDGET
DEBT FUNDS.

REVENUES

Source	Project 1	Project 2	Project 3	Project 4	Housing
Tax Increment Receipts ¹	\$411,100 405,010	\$294,560 301,280	\$1,963,290 2,091,200	\$ -0- -0-	\$ -0- -0-
Interest Earned	\$ 27,200 26,240	26,500 29,600	120,200 120,000	-0- -0-	38,500 40,000
<u>General Fund Loan</u>				<u>90,000</u> -0-	
Prior Year Fund Balance					1,214,480 <u>1,048,440²</u>
Total Income	\$438,300 431,250	\$321,060 330,880	\$2,083,490 2,211,200	90,000 -0-	\$1,252,980 1,088,440

LEGEND:
Normal Print - 1994-95 Recommended Budget
Italics Print - 1993-94 Budget

¹Tax Increment Receipts are total tax receipts collected on property within each Project Area.

² Low and Moderate debt service from all Project Area's

City Note - 1994 Project Area #4 Formation

Loan Origination Date	Payments Made to City	Payments Missed due to Dissolution	Principal Amount	8% Interest Rate	Interest	Total P & I Due
6/6/1994			50,000			50,000
6/20/1994			90,000			140,000
6/19/1995				8.000%	11,200.00	151,200
6/19/1996				8.000%	12,096.00	163,296
6/19/1997				8.000%	13,063.68	176,360
6/19/1998				8.000%	14,108.77	190,468
6/19/1999				8.000%	15,237.48	205,706
6/19/2000				8.000%	16,456.47	222,162
6/19/2001				8.000%	17,772.99	239,935
6/19/2002				8.000%	19,194.83	259,130
6/19/2003				8.000%	20,730.42	279,861
6/19/2004				8.000%	22,388.85	302,249
6/19/2005				8.000%	24,179.96	326,429
6/19/2006				8.000%	26,114.36	352,544
6/19/2007				8.000%	28,203.51	380,747
6/19/2008				8.000%	30,459.79	411,207
6/19/2010	211,478			8.000%	32,896.57	444,104
6/19/2010		229,000		8.000%	18,610.05	232,626
6/19/2011				8.000%		251,236
6/19/2011				8.000%	1,778.86	22,236
6/19/2012		24,015		8.000%	0.00	24,015
						0

Note: On 6/20/1994 Reso #537 amended loan for an additional \$90k from the General Fund.

Amount O/S \$ 211,478.00 \$ 253,015.00

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874**

<http://www.sco.ca.gov>