

REDEVELOPMENT AGENCY  
BOARD

HARRY S. MAVROGENES  
EXECUTIVE DIRECTOR

SEE BELOW

MAY 8, 2007

### **INFORMATION**

**SUBJECT: RESPONSE TO BUDGET STUDY QUESTION**

At the Board's Budget Study Session on May 7, 2007, Board member Williams asked if the Agency's "Capital Reserve" is encumbered. Staff responded that the Capital Reserve is unencumbered. I want to clarify that while the Capital Reserve is technically unencumbered funds, most of the funds have already been discussed with the community and targeted for specific projects in the Proposed FY 2007-08 Operating and Capital Budget.

As an example, \$24 million of the \$42.6 million is provided for Strong Neighborhoods projects that have already been through an extensive community process. Although these projects have not been fully designed, there is a community expectation that these projects will be fully funded. Similarly, in the Downtown, staff has five property owners processing façade improvement grants totaling \$1.3 million.

In total, the Proposed FY 2007-08 Capital and Operating Budget lists more than 116 capital projects which are funded from the carryover Capital Reserve of \$42,550,089.

HARRY S. MAVROGENES  
Executive Director