



Renewal Enterprise District (RED) Board Meeting

Date: February 21, 2024 Time: 9:30 AM

PLEASE NOTE: This is a hybrid meeting and will be held in-person and online. The meeting will be held at the Sonoma County Transportation Authority Hearing Room, 411 King Street, Santa Rosa, CA, 95404. Public Comment may be made live, in person. Members of the public can watch or listen to the meeting in person or via Zoom via:

Zoom webinar:

<https://us02web.zoom.us/j/81188735698>

Telephone: +1 669 444 9171

Webinar ID: 811 8873 5698

+16694449171,,81188735698#

International numbers available: <https://us02web.zoom.us/j/81188735698>

Agenda

1. Call to Order and Roll Call

(Items may be added or withdrawn from the agenda consistent with State law)

- 2. [Selection of 2024 Officers of the Board:](#)** Accept Nominations and elect a Chairperson and Vice Chairperson, per the Renewal Enterprise District Joint Exercise of Powers Agreement.
Recommended Action: Elect a Board Chair and Vice-Chair for Calendar Year 2024.

3. Public comment on matters not listed on the agenda but within the subject matter jurisdiction of the Board

4. Consent Calendar

- a. [Approve minutes of October 23, 2023 Board meeting](#)
- b. [Approve Year-to-Date Financial Report](#)
- c. [Renew Legal Service Agreement with Burke, Williams & Sorensen](#), extending the term through December 31, 2024, not to exceed amount of \$20,000

5. Regular Calendar

- a. [Fiscal Year 2022/23 Financial Audit](#)
Recommended Action: Receive and accept the Fiscal Year 2022-23 audit and direct staff to implement Auditor recommendations, if any.

6. Study Session

- a. [Fiscal Year 2024/25 Preliminary discussion of Draft Budget:](#) Review of budget options, discussion of priorities prior to approval in April.
Note: Study Session items are for in-depth discussion and possible direction to staff. No formal action will be taken.

8. Adjournment

Member Agency	Directors
<i>County of Sonoma</i>	David Rabbitt (Chair)
<i>City of Santa Rosa</i>	Victoria Fleming (Vice Chair)
<i>County of Sonoma</i>	Chris Coursey
<i>City of Santa Rosa</i>	Eddie Alvarez

Special Accommodations: If you have a disability which requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact Robin Stephani, (707) 479-5373, as soon as possible to ensure arrangements for accommodation.

Public Comments Prior To The Committee Meeting: May be submitted via email to robin@renewalenterprisedistrict.org.

PUBLIC COMMENTS DURING THE BOARD MEETING: Public Comment may be made live, in person, at the Sonoma County Transportation Authority Hearing Room, 411 King Street, Santa Rosa, CA, 95404. Available time for comments is determined by the committee chair based on agenda scheduling demands and total number of speakers. In order to guarantee that your comment is received and considered by the Board, please attend the meeting in person or submit your comment in writing in advance of the meeting to Robin Stephani, robin@renewalenterprisedistrict.org. Any member of the audience desiring to address the Board on a matter on the agenda, please complete a Speaker Card and hand it to the Clerk prior to the beginning of the meeting. When called by the Chair, please state your name, and make your comments. In order that all interested parties have an opportunity to speak, please be brief and limit your comments to the subject matter under discussion.

Meeting Documents: The associated documentation is available on the website at: www.RenewalEnterpriseDistrict.org

Any changes to the date of the hearing, or any other updates will be noticed on the above website. For more information, please contact Robin Stephani, robin@renewalenterprisedistrict.org

Agenda Item: 2
Meeting Date: February 21, 2024

Renewal Enterprise District Action Item

TO: Board of Directors
FROM: Robin Stephani, Executive Director
SUBJECT: Board Chair and Vice-Chair Elections

Summary: The JPA for the Renewal Enterprise District (RED) requires that the Board of Directors (Board) elect officers commencing January 1 of each and every calendar year. The officers that must be elected include a Chairperson and Vice-Chairperson

Background

“Officers of the Agency’s Board shall consist of a Chairperson and Vice-Chairperson. The Chairperson shall preside at all meetings of the Board, while the Vice-Chairperson shall perform the duties of the Chairperson in the absence or disability of the Chairperson. The Chairperson and Vice-Chairperson shall exercise and perform such other powers and duties as may be assigned by the Board.” (JPA, 5.03)

“The Board shall annually elect the Officers of the Board from the Primary Directors. Officers of the Board shall hold office for a term of one year commencing on January 1 of each and every calendar year and they may serve for multiple consecutive terms. Officers of the Board may be removed and replaced at any time, with or without cause, by a majority Board vote. In the event that an Officer of the Board loses their position, that Officer position shall become vacant and the Board shall elect a new Officer from existing Board members to serve the remaining Officer term.” (JPA, 5.04)

Process of Election: Election of officers must be by a motion to nominate, supported by a second, and followed by a majority vote of the Board of Directors. Any person wishing to nominate themselves may do so. Such a nomination must receive a second before going to a vote.

Staff Recommendation

Staff recommends that the Board of Directors:
Elect a Board Chair and Vice-Chair for Calendar Year 2024.

Vote Requirement

Majority

Fiscal Impact

Not applicable

List of Attachments

None

Contact

Robin Stephani, Executive Director, 707-479-5373 robin@RenewalEnterpriseDistrict.org



Renewal Enterprise District (RED)
Board Meeting
Minutes, DRAFT

Date: October 23, 2023 Time: 11:00 AM

PLEASE NOTE: This is a hybrid meeting and will be held in-person and online. The meeting will be held at the Sonoma County Transportation Authority Hearing Room, 411 King Street, Santa Rosa, CA, 95404.

Public Comment may be made live, in person. Members of the public can watch or listen to the meeting in person or via Zoom via:

Zoom webinar:

<https://us02web.zoom.us/j/82806881142>

Telephone: +1 669 444 9171 US

Webinar ID: 828 0688 1142

+16699006833,,82806881142#

International numbers available: <https://us02web.zoom.us/j/82806881142>

Agenda

1. Call to Order and Roll Call

Chair Rabbitt called the meeting to order at 11:02 AM. David Rabbitt noted that a quorum was present, consisting of the following Directors: Victoria Fleming, David Rabbitt, and Chris Coursey. The agenda was approved by all Directors in attendance.

2. Public comment on matters not listed on the agenda but within the subject matter jurisdiction of the Board

Time open: 11:03

Time closed: 11:03

Public speakers: None

3. Consent Calendar

a. Approve minutes of August 21, 2023 Board meeting

b. Approve Year-to-Date Financial Report

c. Approve 2024 Board meeting schedule

Time open: 11:03

Time closed: 11:05

Public speakers: None

Vote count on items 4b & 4c:

ABSENT Alvarez AYE Fleming AYE Rabbitt AYE Coursey

Vote count on items 4a:

ABSENT Alvarez Abstain Fleming AYE Rabbitt AYE Coursey

4. Informational items

a. RED Housing Fund Update

Time open: 11:05

Time closed: 12:23

Public speakers: Michelle Whitman

5. Adjournment Meeting adjourned at 12:25 AM.

Member Agency	Directors
<i>County of Sonoma</i>	David Rabbitt (Chair)
<i>City of Santa Rosa</i>	Victoria Fleming (Vice Chair)
<i>County of Sonoma</i>	Chris Coursey
<i>City of Santa Rosa</i>	Eddie Alvarez

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Agenda Item: 4b
Meeting Date: February 21, 2024

Renewal Enterprise District Consent Item

TO: Board of Directors
FROM: Robin Stephani, Executive Director
SUBJECT: Financial Report through February 02, 2024

Executive Summary:

Budget for FY2023/24 is \$417,100

Income is (\$168,158.72)

Expenses are \$89,737.17

Net income balance is (\$78,421.55)

*Note that the interpretation of Renewal Enterprise District financials may be less intuitive than others because the agency's primary source of revenue, grants, are pre-funded. This requires a delay in revenue recognition on the financial reports due to a lag time between expense recognition and revenue recognition, which explains why expenses appear greater than income. This is a factor of the Auditor, Controller, Treasurer, Tax Collector's accounting system as relates to costs charged to a grant.

Staff Recommendation

Accept the financial report

List of Attachments

Exhibit A - Agency Budget Performance as of February 2, 2024.

Contact

Robin Stephani, Executive Director 707.479.5373 robin@renewalenterprisedistrict.org

Exhibit A Budget

RED Budget to Actual

Run: 2024-02-02 11:56 AM

		FY 2024		
		Year-To-Date		
Account	Account Description	Adjusted	Year-To-Date	Remaining
		Budget	Actual	Balance
Fund: 74751 – Renewal Enterprise Distr JPA				
Account Type: 00004 – All Revenues				
42610	Other Governmental Agencies	(100,000.00)	(100,000.00)	-
44002	Interest on Pooled Cash	(2,500.00)	(5,658.72)	3,158.72
45301	Charges for Services	(100,000.00)	(31,250.00)	(68,750.00)
46215	Other Grants	(100,000.00)	(31,250.00)	(68,750.00)
Total Revenue		(302,500.00)	(168,158.72)	(134,341.28)
Account Type: 00005 – All Expense/Expenditure Accts				
51201	Administration Services	9,100.00	2,876.15	6,223.85
51207	Client Accounting Services	15,000.00	5,648.50	9,351.50
51212	Outside Counsel - Legal Advice	20,000.00	1,053.00	18,947.00
51226	Consulting Services	273,000.00	48,909.52	224,090.48
53502	Community Grants	100,000.00	31,250.00	68,750.00
Total Expenditures		417,100.00	89,737.17	327,362.83
Net Cost		114,600.00	(78,421.55)	193,021.55

Agenda Item: 4c
Meeting Date: February 21, 2024

Renewal Enterprise District Consent Item

TO: Board of Directors
FROM: Robin Stephani, Executive Director
SUBJECT: Renewal of Legal Service Agreement with Burke, Williams & Sorensen

Summary: Consider renewal of Legal Service Agreement with Burke, Williams & Sorensen, serving as General Counsel to the RED, extending the term through December 31, 2024, not to exceed amount of \$20,000.

Background

On December 3, 2019 the Renewal Enterprise District released a Request for Proposals (RFP) for legal services. The RFP was circulated to a list of ten law firms experienced in serving public agencies and nonprofit clients. The RED Executive Director, City of Santa Rosa and County of Sonoma attorneys evaluated four firms that submitted proposals. A finalist was identified, and references were checked before a recommendation to award the contract to Burke, Williams & Sorensen (BWS) was made to the RED Board.

Reference checks confirmed BWS attorneys' ability to perform as General Counsel for the RED, as well as the firm's expertise in housing finance. References were questioned about the firm's approach to cost management; responses were all positive, indicating "the team is cost conscious and efficient; institutional knowledge equates to less research needed; the firm has templates for a variety of purposes that save time and money; and bills are clear and fair."

BWS is an 80-year-old firm with 128 attorneys statewide serving 200 local governments and entities. Sue Bloch has extensive real estate, housing finance and development experience, and in particular, a deep understanding of affordable housing development and finance, HUD and HCD funding, and local housing trust funds. Sue has been involved with the planning and startup phases of the RED Housing Fund (RHF) and her familiarity with the RHF is expected to be beneficial on several levels, including risk management and cost containment.

Staff Recommendation

Renew the Legal Service Agreement with Burke, Williams, Sorensen, included as Exhibit A, to continue to serve as General Counsel to the RED, extending the term through December 31, 2024, not to exceed amount of \$20,000.

Vote Requirement

Majority

Fiscal Impact

Up to \$20,000 payable as compensation for legal services provided by Burke, Williams, Sorensen through December 31, 2024. Funding was previously incorporated into the FY 2023-2024 Final Budget.

List of Attachments

Exhibit A –Amendment To Legal Services Agreement

Contact

Robin Stephani, Executive Director, 707-479-5373 robin@RenewalEnterpriseDistrict.org

AMENDMENT TO LEGAL SERVICES AGREEMENT

THIS AMENDMENT TO LEGAL SERVICES AGREEMENT (the "**Amendment**") is made by and between the Renewal Enterprise District, a California joint powers authority ("**RED**") and Burke, Williams and Sorensen, LLP, a limited liability partnership ("**Attorney**") effective as of January 1, 2024 ("**Effective Date**"). RED and the Attorney are collectively referred to herein as the "**Parties.**"

RECITALS

A. The Parties entered into that certain Legal Services Agreement dated as of December 19, 2022 (the "**Agreement**").

B. The Parties desire to amend the Agreement to modify provisions relating to the term of the Agreement, the compensation payable to Attorney, and the address for notices.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Term. The Term of the Agreement is hereby extended through December 31, 2024.
2. Compensation. For the period January 1, 2024 through December 31, 2024, the compensation payable to Attorney shall not exceed the sum of Twenty Thousand Dollars (\$20,000); provided however, such sum shall not include fees that are reimbursed by third parties for cost-recovery matters.
3. Rates. Commencing on January 1, 2024, the following rate schedule shall be in effect:

	Regular Rates	Cost-Recovery Rates
Partners	\$395-425	\$445-475
Associates	\$340-370	\$375-400
Paralegals	\$205	\$220

4. Address for Notices. Attorney’s address for notices is modified to be:

1999 Harrison Street, Suite 1650
Oakland, CA 94612
5. Agreement Remains in Effect. Except as modified by this Amendment, the Agreement remains unmodified and in full force and effect.

6. Counterparts. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first written above.

RED:

Renewal Enterprise District, a California joint powers authority

By: _____

Print Name: _____

Title: _____

ATTORNEY:

Burke, Williams & Sorensen, LLP, a limited liability partnership

By: _____
Susan E. Bloch, Partner

Agenda Item: 5
Meeting Date: February 21, 2024

Renewal Enterprise District Regular Item

TO: Board of Directors
FROM: Robin Stephani, Executive Director
SUBJECT: Fiscal Year 2022/23 Financial Audit

Summary: Receive report from Auditor and seek Board acceptance of report.

Background

The Joint Powers Authority for the Renewal Enterprise District (RED) has required annual financial audits, beginning with Fiscal Year 2018/19. The RED works with Pisent and Brinker LLP (Auditor) for annual audits. For the Fiscal Year 2022/23 audit, the Auditor team gathered information from the Executive Director and the Sonoma County Auditor, Controller & Tax Collector, which serves as the RED's Treasurer.

Final Audit Results

The auditor found that the FY 2022/23 financial statements are materially accurate and that there are no deficiencies in internal controls that would be considered material weaknesses or significant deficiencies.

Staff Recommendation

Receive and accept the Fiscal Year 2022/23 audit and direct staff to implement Auditor recommendations, if any.

Vote Requirement

Majority

Fiscal Impact

The audit does not have immediate financial implications.

List of Attachments

Exhibit A – Independent Auditor's Reports and Basic Financial Statements for the fiscal year ended June 30, 2023

Contact

Robin Stephani, Executive Director, 707-479-5373 robin@RenewalEnterpriseDistrict.org



Renewal Enterprise District

Fiscal Year Ended June 30, 2023

**Independent Auditor's Reports and
Basic Financial Statements**



PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

**Renewal Enterprise District
Fiscal Year Ended June 30, 2023**

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Independent Auditor's Report

Board of Directors
Renewal Enterprise District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the governmental-type fund of the Renewal Enterprise District ("RED"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise RED's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RED as of June 30, 2023, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RED and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RED's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RED's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RED's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the budgetary comparison information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

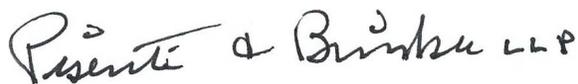
Independent Auditor's Report (continued)

Required Supplementary Information (continued)

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023, on our consideration of RED's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RED's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RED's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Presenti & Brink LLP". The signature is written in a cursive, flowing style.

Santa Rosa, California
December 22, 2023

Basic Financial Statements

**Renewal Enterprise District
Governmental Fund Balance Sheet and Statement of Net Position
June 30, 2023**

	General Fund	Governmental Activities	
	Governmental Fund Balance Sheet	Adjustments	Statement of Net Position
Assets			
Cash and investments	\$ 366,863	\$ -	\$ 366,863
Total assets	\$ 366,863	-	366,863
Liabilities			
Accounts payable	\$ 198	-	198
Unearned revenue	125,500	-	125,500
Total liabilities	125,698	-	125,698
Fund balance/net position			
Fund balance			
Restricted	241,165	(241,165)	-
Total fund balance	241,165	(241,165)	-
Total liabilities and fund balance	\$ 366,863		
Net position			
Restricted		241,165	241,165
Total net position		\$ 241,165	\$ 241,165

The notes to the basic financial statements are an integral part of these statements.

Renewal Enterprise District
Statement of Revenues, Expenditures, and Changes in Fund Balance /
Statement of Activities
For the Fiscal Year Ended June 30, 2023

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u> <u>Governmental Activities</u>
Expenditures/expenses			
Current:			
Services and supplies	\$ 199,803	\$ -	\$ 199,803
Pass-through grants	<u>550,000</u>	<u>-</u>	<u>550,000</u>
Total expenditures/expenses	<u>749,803</u>	<u>-</u>	<u>749,803</u>
 Program revenues:			
Operating grants and contributions	728,745	-	728,745
Charges for services	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total program revenues	<u>803,745</u>	<u>-</u>	<u>803,745</u>
Excess of program revenues over expenditures/expenses	<u>53,942</u>	<u>-</u>	<u>53,942</u>
 General revenues:			
Investment income	<u>33,777</u>	<u>-</u>	<u>33,777</u>
Net change in fund balance/net position	87,719	-	87,719
 Fund balance/net position			
Beginning of year	<u>153,446</u>	<u>-</u>	<u>153,446</u>
End of year	<u>\$ 241,165</u>	<u>\$ -</u>	<u>\$ 241,165</u>

The notes to the basic financial statements are an integral part of these statements.

**Renewal Enterprise District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

Note A. Summary of Significant Accounting Policies

Reporting Entity

The Renewal Enterprise District (RED) was formed in December 2018 by a joint exercise of powers agreement (JPA) between the City of Santa Rosa and County of Sonoma. RED was established to work across jurisdictions to market and attract developers, blend private financing and public funds, leverage state and federal grant funds, and facilitate the creation of housing that meets established public policy goals for increased density, access to transit, protection of open space and community separators; improved energy efficiency, climate resilience, and affordability; and to advance and ensure equitable access to housing.

RED is governed by a Board of Directors, with two directors from each of the founding member local governments. Upon submittal of an application for membership, new members may be admitted to RED so long as: 1) the new member is an incorporated city or town located within the jurisdictional boundaries of the County of Sonoma; and 2) the new member agrees to the terms of the JPA.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the activities of RED.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include grants and contributions that are restricted to meeting operational or capital requirements of a particular function or program. Investment income is reported as general revenues.

RED is engaged in a single program and has chosen to present combined government-wide and fund statements with a reconciliation of the individual line items in a separate column on each statement.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered available when they are collectible within the period or soon enough thereafter to pay liabilities of the current period. For this purpose, RED considers revenues available if they are collected within 365 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Renewal Enterprise District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note A. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

RED has no noncurrent assets or liabilities. Accordingly, net position and fund balance are equal at year end. Additionally, the change in net position on the statement of activities is equal to the change in fund balance.

Cash and Investments

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31 and GASB Statement No. 72, RED reports cash and investments at fair value on the balance sheet and recognizes the corresponding change in the fair value of investments in the year in which the change occurred.

Unearned Revenue

Unearned revenue represents amounts collected before revenue recognition criteria are met.

Net Position

Net position is classified into three components: 1) invested in capital assets, 2) restricted, and 3) unrestricted. These classifications are defined as follows:

- Invested in capital assets – This component of net position consists of capital assets, net of accumulated depreciation. RED has no capital assets and therefore this amount was zero at year end.
- Restricted net position – This component of net position consists of net position with limits on its use that are imposed by outside parties or enabling legislation.
- Unrestricted net position – This component of net position consists of net position that does not meet the definitions of "restricted" or "invested in capital assets."

When both restricted and unrestricted resources are available, unrestricted resources are used only after restricted resources are depleted.

**Renewal Enterprise District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

Note A. Summary of Significant Accounting Policies (continued)

Fund Balance

Governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned based primarily on the extent to which RED is bound to honor constraints on how specific amounts can be spent. The fund balance classifications are defined below:

- Non-spendable – Amounts that are not in a spendable form or are to be maintained intact.
- Restricted – Amounts that can be spent only for the specific purpose stipulated by external resource providers or through enabling legislation.
- Committed – Amounts that can be used only for the specific purpose determined by a formal action of the entity's highest level of decision-making authority.
- Assigned – Amounts intended to be used by the government for specific purpose determined either by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned – The residual classification is used for the general fund and includes all amounts not contained in the other classifications. This amount is technically available for any purpose.

In general, when both restricted and unrestricted resources are available, restricted resources are used first. When expenditures are made of unrestricted resources, RED first applies committed, then assigned, and then unassigned resources.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note B. Cash and Investments

Investment in the Sonoma County Treasurer's Investment Pool

Cash and investments are comprised of cash pooled with the Sonoma County Treasury Pool (the Treasury Pool), an external investment pool. The Sonoma County Treasurer's office also acts as a disbursing agent for RED. The fair value of RED's investment in this pool is based upon RED's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio).

**Renewal Enterprise District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

Note B. Cash and Investments (continued)

Investment in the Sonoma County Treasurer's Investment Pool (continued)

Interest earned on investments pooled with the Treasury Pool is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee of the Treasury Pool has oversight for all monies deposited into the Treasury Pool.

RED's pooled cash and investments are invested pursuant to investment policy guidelines established by the Sonoma County Treasurer (the Treasurer) and approved by Sonoma County's Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the Treasurer will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Sonoma County investment policy is available upon request from the Sonoma County Auditor-Controller-Treasurer-Tax Collector at 585 Fiscal Drive, Room 100, Santa Rosa, California 95403.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Due to the highly liquid nature of RED's investment with the Treasury Pool, RED's exposure to interest rate risk is deemed by management to be insignificant.

The weighted average maturity of Treasury Pool investments at June 30, 2023 was 539 days.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool).

Renewal Enterprise District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note B. Cash and Investments (continued)

Concentration of Credit Risk

The investment policy of RED contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no non-pooled investments in any one issuer that represent 5% or more of total RED investments.

Fair Value Measurements

RED categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. RED has a recurring fair value measurement for its investment in the Treasury Pool of \$366,863 which is valued using significant other observable inputs (Level 2).

Note C. Unearned Revenue

RED has received advanced funding related to several funding agreements. Revenue is recognized as qualified expenses are incurred. Unearned revenue consisted of \$125,500 received from the East Bay Community Foundation at June 30, 2023.

Note D. Risk Management

RED is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; and natural disasters. RED has coverage for general liability, automobile liability, errors and omissions, and workers compensation. Limits of the general liability and automobile liability coverage are \$1,000,000 per occurrence with \$0 deductible.

Required Supplementary Information

Renewal Enterprise District
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual – General Fund
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues				
Operating grants and contributions	\$ 333,334	\$ 553,784	\$ 728,745	\$ 174,961
Charges for services	75,000	75,000	75,000	-
Investment income	5,000	6,000	33,777	27,777
Total revenues	<u>413,334</u>	<u>634,784</u>	<u>837,522</u>	<u>202,738</u>
Expenditures				
Current:				
Services and supplies	604,195	844,003	749,803	94,200
Total expenditures	<u>604,195</u>	<u>844,003</u>	<u>749,803</u>	<u>94,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(190,861)</u>	<u>(209,219)</u>	<u>87,719</u>	<u>296,938</u>
Net change in fund balance	(190,861)	(209,219)	87,719	296,938
Fund balance, beginning of year	<u>153,446</u>	<u>153,446</u>	<u>153,446</u>	<u>-</u>
Fund balance, end of year	<u>\$ (37,415)</u>	<u>\$ (55,773)</u>	<u>\$ 241,165</u>	<u>\$ 296,938</u>

See accompanying note to budgetary comparison information.

**Renewal Enterprise District
Note to the Budget and Actual Schedule
For the Fiscal Year Ended June 30, 2023**

Note A. Budgetary Information

Budgetary revenue estimates represent original estimates modified for any authorized adjustment which was contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. RED budgetary information was amended during the year by the Board of Directors.

Compliance



**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report

Board of Directors
Renewal Enterprise District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the governmental-type fund of the Renewal Enterprise District ("RED"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise RED's basic financial statements, and have issued our report thereon dated December 22, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RED's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RED's internal control. Accordingly, we do not express an opinion on the effectiveness of RED's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of RED's financial statements will not be prevented, or detected and corrected, on a timely basis.* A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
Government Auditing Standards (continued)**

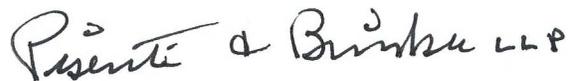
Independent Auditor's Report (continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether RED's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RED's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RED's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Presenti & Brinku LLP

Santa Rosa, California
December 22, 2023

Renewal Enterprise District

Report to the Board of Directors

February 21, 2024



PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

Pisenti & Brinker Introduction

- Kellin Gilbert, CPA
 - Audit Partner
- Brett Bradford, CPA
 - Quality Control Report Reviewer
- Sarah Owen
 - Supervisor
- Andrew Deering
 - Associate

The 2023 Engagement

- Pimenti & Brinker was engaged to opine on if the Renewal Enterprise District financial statements were free of material misstatement.
- We were also engaged to provide a report on internal control over financial reporting and compliance in accordance with *Government Auditing Standards*.

Audit of the fiscal year ended June 30, 2023 Financial Statements

Relative Roles & Responsibilities

- **Management** is responsible for all operational decisions, preparing the financial statements, all footnote disclosures, and for establishing a system of internal control.
- **Auditor** is responsible for auditing the Financial Statements in accordance with GAAS and GAS:
 - Considering risks of material misstatement in the Financial Statements – Inherent risk
 - Considering internal controls relevant to the Financial Statements – Control risk
 - Performing tests of year-end balances based on risk assessment
 - Evaluating adequacy of disclosures

Focus of the 2023 Audit

Significant areas of focus:

- Evaluation of accounting processes and planning
- Testing of transactions for grant compliance
- Test of fiscal year-end balances
- Financial statement presentation and disclosure

Percent of effort:

15%
25%
30%
30%

Audit Procedures

- Evaluate accounting policies and procedures (planning)
- Tested balance sheet items to substantiate year end amounts and cut-off
- Tested transactions throughout the year for occurrence, accuracy, and compliance
- Review the draft financial statements and footnote disclosures
- Other revenue testing procedures include:
 - Review grant agreements
 - Review board minutes and program memorandum
 - Analytical procedures

Audit of the fiscal year ended June 30, 2023

Audit

- Based on our audit we issued:
 - An unmodified opinion
 - The 2023 financial statements are free from material misstatement
 - No instances of noncompliance were noted
 - No material weaknesses in internal controls were identified
 - No adoption of significant new accounting policies or any changes to existing significant accounting policies

Required Communications

Communications with those charged with governance:

- We did not identify any unusual accounting transactions that accounting guidance was not clear on
- We did not encounter any fraud or illegal acts during our audit
- We did not have any difficulties in obtaining evidence to support our opinion and we did not have any disagreements with management
- No uncorrected misstatements or material audit adjustments

Questions?

- Kellin Gilbert: 707-577-1511
 - kgilbert@pbllp.com

Agenda Item: 6

Meeting Date: February 21, 2024

Renewal Enterprise District

Study Session

TO: Board of Directors
FROM: Robin Stephani, Executive Director
SUBJECT: Fiscal Year 2024/25 Preliminary Draft Budget Study

Summary: Today's Study Session discussion of the budget is an opportunity for Board direction prior to presentation of the preliminary budget for adoption at the RED's April meeting.

Background

The JPA for the Renewal Enterprise District (Section 8.05 – Budget) requires that “By a date no later than sixty (60) days before the end of each Fiscal Year, the Board shall adopt a budget for the Agency for the ensuing Fiscal Year.”

The FY2024/25 starting fund balance is estimated to total \$323,284. Of that total, \$100,000 is a fund reserve, and \$25,000 will be retained from the Kaiser grant to compensate the RED for administrative services provided to the RHF, leaving an estimated net fund balance of \$198,284 available to budget for RED operations and programming. The projected unspent fund balance from FY2023/24 is an estimated \$175,000 from line items in Grant Writing, Strategic Planning, Legal and Executive Director Services. RED expects new revenue recognition in FY2024/25 totaling \$78,000 resulting in the estimated \$273,784 available for RED operations and programming in FY2024/25, assuming no additional, unforeseen revenue. The Budget presented today is modeled on these assumptions.

Historically, RED operating costs for Fiscal Year 2020/21 were \$341,200; \$874,878 in Fiscal Year 2021/22; \$795,720 in Fiscal Year 2022/23 and are estimated to be \$241,304 in Fiscal Year 2023/24. Prior to Fiscal Year 2023/24 the annual budgets contained significant one-time expenditures to design, launch and operate the RHF through its startup years. Basic annual overhead for the RED's core operation and Board directed additional programming is stabilizing around \$275,000.

RED's core operation and Board directed additional programming include:

1. Activities to maintain RED baseline functions, e.g., budget, audit, required filings, insurance, accounting, website, legal services, Brown Act meetings. Based on past years, an estimate for these functions annually is \$76.5k. These functions are not optional.
2. Continue financial and technical assistance for collaborative grant applications, e.g., Infill Infrastructure Grant and Affordable Housing, Sustainable Communities Grant. Cost estimate is \$35k, including staff time.
3. Track and provide feedback on public policy and legislation supportive of transit oriented, infill housing production, in line with RED Project Criteria and RED Legislative Principles.
4. Continue to provide administrative support to the RED Housing Fund (RHF) and scan for opportunities to expand the Fund's balance sheet and lending capacity. *(This activity is supported through a Grant and Services Agreement with RED Housing Fund; \$75k in costs are fully recovered).*

Agenda Item: 6

Meeting Date: February 21, 2024

5. Monitor, participate in, and report on Bay Area Housing Finance Authority Expenditure Planning and potential bond measure. The RED Housing Fund is currently facilitating the Expenditure Planning and covering this expense. Additional RED ED support cost estimate is \$10k estimated staff time.
6. Propose and help organize or facilitate a joint City/cities/County of Sonoma meeting on housing. Rough estimate of cost is \$10k, mostly staff time.
7. Advance consideration of the use of Essential Function Bonds to increase and preserve the inventory of affordable housing, provide greater levels of public benefit, and foster the addition of new JPA Members. Rough estimate of cost is difficult to gauge, for the sake of this budgeting study, 45k of consulting costs have been budgeted. Additional funding may be required. This program area would be designed and deployed to be self-sustaining after startup. *(May require additional Member support or use of fund reserve depending on opportunity and timing).*

Discussion

For Fiscal Year 2024/25, the RED can expect a budget with a small starting fund balance plus one source of stable revenue resulting from a grant and services agreement between the RED and RHF. The RED/RHF agreement currently compensates the RED for administrative services provided to the RHF at the rate of \$6,250 monthly, for a total of \$75,000 annually. Administration fee revenue, along with the projected fund balance and any other revenue that is committed will determine the size of a balanced budget through the end of FY2024/25. The RED cannot overspend its budget.

The RED's programming, and budget are designed to be elastic, particularly as the agency fosters and tests new initiatives, including the incubation and formation of the RHF. The RED is scalable, depending on direction given by its Board, as well as the availability of funding. Given that the RED was launched as a pilot project and is still evolving, there are factors that will affect the size of the agency in the future. Stakeholder and Member investment, and Board direction, will ultimately determine whether the RED scales up or down now that the RHF has been established to provide financial resources to help fulfill the RED's purpose of accelerating production of higher density, infill, and transit-oriented housing.

The approved 2023/24 Budget includes the basic functions of the organization plus several added items include monitoring, participating in, and reporting on the Bay Area Housing Finance Authority and potential regional bond measure; advancing an analysis of and possible deployment of Essential Function Bonds as a financial tool to increase and preserve the inventory of affordable housing between 30-120% of Area Median Income, expediting housing production, providing greater levels of public benefit, and fostering the addition of new JPA Members; and collaborative grant seeking, a program area that has been extremely rewarding, attracting State of California grant funding totaling \$128,139,801 to date, and one that Board members expressed interest in, while suggesting cost recovery from beneficiaries of future awards.

Agency Future Funding Options

Initiatives and structures are incubating that could utilize the RED's reputation, expertise, and capacity, while also generating new revenue for RED administration and/or financing, including:

- The Bay Area Housing Finance Authority, a regional housing finance structure intended to eventually generate funding by formula to each of the nine Bay Area counties, including Sonoma County; and
- The production of housing on public properties within the RED's jurisdiction that are deemed surplus; and

Agenda Item: 6

Meeting Date: February 21, 2024

- Operationalizing the RED's JPA powers to issue Essential Function Bonds to acquire, preserve or produce affordable, income restricted housing; and
- The recent formation of an Enhanced Infrastructure Financing Districts (EIFD) in Santa Rosa that may have an administrative or governance role for the RED.

The JPA (Section 8.06 – Agency Funding) states “All fees, costs and expenses incurred by the Agency may be funded from: (i) voluntary contributions from third parties, such as grants; (ii) advances or loans from the Members or other sources; (iii) bond revenue; (iv) taxes, assessments, fees and/or charges levied by the Agency under the provisions of the Act or otherwise provided by law; (v) contributions from an infrastructure Financing District or other tax increment generating mechanism; and, (vi) subject to the unanimous vote of the Board, assessments on the Members to carry out the activities of the Agency generally applicable to all Members.”

In FY2021/22, the RED Board approved one-time Member Assessments of \$50,000 per Founding Member to establish a general fund reserve of \$100,000. Best practices from the Government Finance Officers Association of the United States and Canada recommend a total unassigned General Fund Reserve balance equal to 1/6 or 2 months of annual General Fund operating revenues. Corresponding to the FY 2024/25 preliminary budget, the recommended reserve calculates to \$45,667. Given the agency's relatively dynamic budget history, a larger reserve better buffers economic uncertainty and provides a potential funding source for special one-time needs programs.

Beyond FY 2024/25, the agency may not operate at historical levels unless there is new revenue identified to maintain desired programming.

Fiscal Year 2024/25 Draft Preliminary Budget on next page

Agenda Item: 6
 Meeting Date: February 21, 2024

Fiscal Year 2024/25 Draft Preliminary Budget

Dept ID: 66150100	Fiscal Year 2023/24	Fiscal Year 2023/24	Fiscal Year 2024/25
Description	Budget final	Year End, estimated	Draft Preliminary Budget
<u>Revenues</u>			
Kaiser Permanente (EBCF) - RED Admin Services	100,000.00	75,000.00	25,500.00
Kaiser Permanente (EBCF) - Other RHF Expenses		25,000.00	
Expected Grant Revenues			
Member Assessments	100,000.00	100,000.00	
Interest on Pooled Cash	2,500.00	10,000.00	2,500.00
Charges for Services	100,000.00	75,000.00	50,000.00
Total Revenues	302,500.00	285,000.00	78,000.00
<u>Expenditures</u>			
Administration Services and Supplies	9,100.00	3,914.15	5,500.00
Client Accounting Services	15,000.00	11,677.33	12,000.00
Outside Legal Counsel	20,000.00	1,803.00	18,000.00
Consulting Services	273,000.00	123,909.52	213,000.00
Grant Pass through for Admin Services	100,000.00	75,000.00	25,500.00
Grant Pass through for other RHF Expenses		25,000.00	
Other Professional Services for RHF			
Total Expenditures	417,100.00	241,304.00	274,000.00
Starting Fund Balance	279,588.00	279,588.00	223,284.00
Revenues	302,500.00	285,000.00	78,000.00
Expenditures	(417,100.00)	(241,304.00)	(274,000.00)
Unearned Revenue Adjustment - EBCF - RED Admin Services	(100,000.00)	(75,000.00)	(25,500.00)
Unearned Revenue Adjustment - EBCF - Other RHF Expenses	-	(25,000.00)	-
Change in Fund Balance Reserve	-	-	-
Net Increase/(Decrease) in Fund Balance	(214,600.00)	(56,304.00)	(221,500.00)
Ending Fund Balance available for budgeting	64,988.00	223,284.00	1,784.00

Staff Recommendation

Provide feedback on the Draft Agency Budget for Fiscal Year 2024/25.

Vote Requirement

Study Session items are for in-depth discussion and possible direction to staff. No formal action will be taken.

Fiscal Impact

N/A

List of Attachments

None

Contact

Robin Stephani, Executive Director, 707-479-5373 Robin@RenewalEnterpriseDistrict.org



Renewal Enterprise District (RED)

County of Sonoma | City of Santa Rosa

Agenda Item 7 Study Session on Draft Preliminary Budget Fiscal Year 2024/25



Renewal Enterprise District (RED)

County of Sonoma | City of Santa Rosa

The Renewal Enterprise District (RED) Joint Powers Authority (JPA) Agreement (Section 8.06) states that, “by a date no later than sixty (60) days before the end of each Fiscal Year, the Board shall adopt a budget for the RED for the ensuing Fiscal Year.”



Renewal Enterprise District (RED)

County of Sonoma | City of Santa Rosa

Background

- In August 2018 the Hewlett Foundation provided a \$1 million grant to support startup of the Renewal Enterprise District.
- RED startup costs and general operations have since been funded by the Hewlett Foundation.
- Additional \$1,306,000 in grants and donations have been received, with the majority allocated to offset costs of design and startup of the RED Housing Fund.
- Any remaining balance of the unrestricted Hewlett Foundation grant, and other restricted revenue, will carry over to the FY2024/25 budget.



Renewal Enterprise District (RED)

County of Sonoma | City of Santa Rosa

Background, continued

- Historically, RED operating costs were \$341,200 in FY2020/21; \$824,878 in FY2021/22; \$795,720 in FY2022/23, and estimated to be \$241,304 in FY2023/24.
- Basic annual overhead for the RED's core operation and programming at current program levels averages \$275,000.
- For FY 2024/25, the RED is positioned to be scalable, at which point additional revenue will need to be identified.
- In February 2023, Board recommended a budget that included and depends upon a FY 2023/24 Member Assessments of \$50,000 per Member. Our current projected Budget for core operation for FY 2024/25 does not require additional Member Assessments for this Budget cycle.



Renewal Enterprise District (RED)

County of Sonoma | City of Santa Rosa

Estimated Expenditures

December 19, 2022 meeting - Board was presented with a menu of workplan options and advised of estimated expenditures to maintain or add the associated activities. These options included:

1. Activities to maintain RED baseline functions (not optional)  (previously 75K/YR) **\$76.5K/YR**
2. Continue financial and technical assistance for collaborative grant applications  **\$35K/YR**
3. Track and provide feedback on housing policy and legislation  **\$0**
4. Provide administrative support to the RED Housing Fund **\$75K/YR** (full cost recovery) 
5. Monitor, participate in, and report on Bay Area Housing Finance Authority (BAHFA)  (previously 30K/YR) **\$10K/YR**
6. Propose and help facilitate a joint City/cities/County of Sonoma meeting on housing  **\$10K** (one time expense)
7. Continue to advance option to use of Essential Function Bonds  (previously 100K/YR) **\$45K/YR**



Renewal Enterprise District (RED)

County of Sonoma | City of Santa Rosa

Budget at a Glance

- FYE 2024/25 starting fund balance estimated to be \$323,284.
- \$25,000 is reserved from the Kaiser grant to compensate the RED for administrative services provided to the RHF.
- Net fund balance of \$198,284, plus projected revenue of \$78,000, available to budget for RED operations and programming, for a total of \$273,784.
- The FY2024/25 budget maintains a General Fund reserve of \$100,000 established by FY 2021/2022 Member Assessments.



Renewal Enterprise District (RED)

County of Sonoma | City of Santa Rosa

Agency Funding Options

- JPA Section 8.06 - “All fees, costs and expenses incurred by the Agency may be funded from:
 - (i) voluntary contributions from third parties, such as grants;
 - (ii) advances or loans from the Members or other sources;
 - (iii) bond revenue;
 - (iv) taxes, assessments, fees and/or charges levied by the Agency under the provisions of the Act or otherwise provided by law;
 - (v) contributions from an infrastructure Financing District or other tax increment generating mechanism; and,
 - (vi) subject to the unanimous vote of the Board, assessments on the Members to carry out the activities of the Agency generally applicable to all Members.”



Renewal Enterprise District (RED)

County of Sonoma | City of Santa Rosa

Description	Fiscal Year 2023/24	Fiscal Year 2023/24	Fiscal Year 2024/25
	Budget final	Year End, estimated	Draft Preliminary Budget
Revenues			
Kaiser Permanente (EBCF) - RED Admin Services	100,000.00	75,000.00	25,500.00
Kaiser Permanente (EBCF) - Other RHF Expenses		25,000.00	
Expected Grant Revenues			
Member Assessments	100,000.00	100,000.00	
Interest on Pooled Cash	2,500.00	10,000.00	2,500.00
Charges for Services	100,000.00	75,000.00	50,000.00
Total Revenues	302,500.00	285,000.00	78,000.00
Expenditures			
Administration Services and Supplies	9,100.00	3,914.15	5,500.00
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Ending Fund Balance available for budgeting	64,988.00	223,284.00	1,784.00



Renewal Enterprise District (RED)

County of Sonoma | City of Santa Rosa

Feedback, Questions?