



# OVERSIGHT BOARD

OF THE CITY OF LONG BEACH AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

333 West Ocean Blvd., 3rd Floor, Long Beach, CA 90802 Phone: 562.570.6615 Fax: 562.570.6215

January 27, 2016

## OVERSIGHT BOARD MEMBERS

### RECOMMENDATION:

Adopt a Resolution approving an amended repayment schedule for the amount of property tax funds (formerly 20 Percent Tax Increment Set-Aside) the former Redevelopment Agency of the City of Long Beach owes to the Low- and Moderate-Income Housing Asset Fund.

### DISCUSSION

On February 11, 2014, the Successor Agency to the Redevelopment Agency of the City of Long Beach (Successor Agency) reviewed and approved a revised repayment schedule for the \$24,721,890 in funds the former Redevelopment Agency of the City of Long Beach (Agency) owes to the Low- and Moderate-Income Housing Asset Fund (LMIHAF) related to the deferral of \$16,361,451 from the Downtown Project Area, plus an additional remaining loan balance of \$8,360,439. The Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Long Beach approved the same schedule on February 24, 2014.

The California Department of Finance (DOF) has requested that the dollar amounts requested for this repayment on each Recognized Obligation Payment Schedule (ROPS) be based on actual dollar amounts and not estimates. Accordingly, the repayment schedule needs to be amended annually based on actual Redevelopment Property Tax Trust Fund (RPTTF) distributions to the Successor Agency. The amount of low- and moderate-income housing funds that can be repaid annually is limited to 50 percent of the residual proceeds paid in the preceding fiscal year less the residuals paid in Fiscal Year 2012-13 (FY12-13).

Following its Finding of Completion, the Successor Agency owed the LMIHAF \$24,721,890. The debt was comprised of \$16,361,451 deferred from the Downtown Redevelopment Project Area's Low- and Moderate-Income Housing Set-Aside Fund (Housing Fund) between 1986 and 2001, plus \$8,360,439 borrowed in 2010 to make a State-mandated Supplemental Education Revenue Augmentation Fund (SERAF) payment. The deferral was incurred when the Housing Fund was established in the mid-1980s and

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the Downtown Project Area had pre-existing obligations that precluded making the annual set-aside payments. The loan agreement in 2010 was made when the Agency borrowed the entire Fiscal Year 2010 Housing Fund amount to assist the Agency with making its SERAF payment.

The first two payments to the LMIHAF in Fiscal Years 2014 and 2015 of \$8,848,132 and \$5,030,890, respectively, leave a remaining balance owed to the LMIHAF of \$10,842,868.

The formula for the repayment amount in Fiscal Year 2016 (FY 16) is as follows:

$(\text{ROPS 15-16A\&B residual proceeds} - \text{ROPS 12-13A\&B residual proceeds}) \times 50\%$

or

$(\$75,691,179 - \$45,018,614) \times 50\% = \$15,336,283$

The amount of residual Redevelopment Property Tax Trust Fund (RPTTF) proceeds paid to the affected taxing agencies is based on the Remittance Advice provided by the Los Angeles County Auditor-Controller.

The proposed repayment schedule is as follows:

City's Fiscal Year/ ROPS Period	Payments Completed	Payment Request Based on Actual Residuals	Balance
Beginning Balance			\$24,721,890
2013-14/ ROPS 14-15A	\$8,848,132		\$15,873,758
2014-15/ ROPS 15-16A	\$5,030,890		\$10,842,868
2015-16/ ROPS 16-17		\$10,842,868	\$0

The amount of \$15,336,283 in residual revenue available exceeds the amount needed to pay the remaining balance owed to the LMIHAF by \$4,493,415. As such, it is expected that the LMIHAF will be repaid in full after this last payment.

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Respectfully submitted,



AMY J. BODEK, AICP  
DIRECTOR OF DEVELOPMENT SERVICES



PATRICK H. WEST  
CITY MANAGER

PHW:AJB:LAF:KS

Z:\1\_Successor Agency\OVERSIGHT BOARD\STAFF REPORTS Oversight Board\2016\B January 27 - Special\OB Low-Moderate  
Income 1.27.16v2.doc

Attachment: Resolution

1 RESOLUTION NO. \_\_\_\_\_  
2

3 A RESOLUTION OF THE OVERSIGHT BOARD OF  
4 THE CITY OF LONG BEACH AS THE SUCCESSOR  
5 AGENCY TO THE REDEVELOPMENT AGENCY OF THE  
6 CITY OF LONG BEACH APPROVING AN AMENDED  
7 REPAYMENT SCHEDULE FOR THE AMOUNT OF  
8 PROPERTY TAX FUNDS THE FORMER  
9 REDEVELOPMENT AGENCY OWES TO THE LOW AND  
10 MODERATE INCOME HOUSING ASSET FUND  
11

12 WHEREAS, Section 34171(d)(1) of the California Health and Safety Code  
13 defines the meaning of Enforceable Obligations, in regards to the Dissolution Act  
14 (AB1x26) and the unwinding process of the former redevelopment agencies, as the  
15 amounts borrowed from, or payments owing to, the Low and Moderate Housing Fund of a  
16 redevelopment agency that had been deferred as of the effective date of the Dissolution  
17 Act; and

18 WHEREAS, pursuant to California Health and Safety Code Section  
19 34171(d)(1)(G), the Successor Agency to the Redevelopment Agency of the City of Long  
20 Beach ("Successor Agency") is requesting the Oversight Board of the City of Long Beach  
21 as the Successor Agency to the Redevelopment Agency of the City of Long Beach  
22 ("Oversight Board") approve a repayment schedule for the funds the former  
23 Redevelopment Agency of the City of Long Beach owes to the Low and Moderate  
24 Income Housing Fund; and

25 NOW, THEREFORE, the Oversight Board of the City of Long Beach as the  
26 Successor Agency to the Redevelopment Agency of the City of Long Beach resolves as  
27 follows:

28 Section 1. Approve the amended repayment schedule attached as

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

1 Exhibit "A" for the funds the former Redevelopment Agency owes to the Low and  
2 Moderate Income Housing Asset Fund, subject to adjustment as required by the  
3 Dissolution Act.

4 Section 2. This resolution shall take effect immediately upon its adoption  
5 by the Oversight Board, and the City Clerk shall certify the vote adopting this resolution.

6 PASSED, APPROVED, and ADOPTED at a meeting of the Oversight Board  
7 of the City of Long Beach as the Successor Agency to the Redevelopment Agency of the  
8 City of Long Beach held this 27th day of January, 2016 by the following vote:

9  
10 Ayes: \_\_\_\_\_  
11 \_\_\_\_\_  
12 \_\_\_\_\_

13 Noes: \_\_\_\_\_  
14 \_\_\_\_\_  
15 \_\_\_\_\_

16 Absent: \_\_\_\_\_

17  
18  
19 \_\_\_\_\_  
Chairperson, Oversight Board

20 APPROVED:  
21  
22 \_\_\_\_\_  
23 Secretary, Oversight Board

EXHIBIT "A"  
REPAYMENT SCHEDULE

City's Fiscal Year/ROPS Period	Payments Completed	Payment Request Based on Actual Residuals	Balance
Beginning Deferred Balance			\$24,721,890
2013-14/ ROPS 14-15A	\$8,848,132		\$15,873,758
2014-15/ ROPS 15-16A	\$5,030,890		\$10,842,868
2015-16/ ROPS 16-17		\$10,842,868	\$0

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