



Building A Better Long Beach

May 18, 2009

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

- Determine that the planning and administrative expenses charged to the low- and moderate-income housing fund were necessary for the production, improvement and preservation of low- and moderate-income housing;
- Approve the transfer of \$2.3 million of discretionary tax increment from the North Long Beach Redevelopment Project Area to pay a portion of the housing set-aside obligation of the Central Long Beach Redevelopment Project Area;
- Adopt a resolution finding the payment of additional housing set-aside by the North Long Beach Redevelopment Project Area is of benefit to the Project Area;
- Adopt a resolution finding the use of taxes allocated to the Central, Downtown, North and West Long Beach Industrial Redevelopment Project Areas for the purpose of graffiti abatement is necessary to effectuate redevelopment of those project areas;
- Approve the Redevelopment Agency Budget for Fiscal Year 2009-2010 (FY10) and forward it to the City Council for approval as part of the City of Long Beach budget adoption process; and
- Approve amendments to the Redevelopment Agency's Budget for Fiscal Year 2008-2009 (FY09) as described in the Estimates to Close. (All Project Areas – Citywide)

DISCUSSION

1. ADMINISTRATIVE EXPENSES FOR HOUSING

The Community Redevelopment Law (CRL), in Health and Safety Code Section 33334.3(d), requires redevelopment agencies to determine that the planning and administrative expenses charged to its Low- and Moderate-income Housing Set-

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aside Fund (LMHSF) are necessary for the production, improvement or preservation of low- and moderate-income housing. The Redevelopment Agency (Agency) transfers 20% of its tax increment to the City of Long Beach's (City) Housing Development Fund. The proposed transfer for FY10 is \$19,355,486. The Housing Services Bureau and the Long Beach Housing Development Company (LBHDC) use the Agency's LMHSF to create affordable housing. The Housing Services Bureau and the LBHDC use a portion of the funds for administrative expenditures including the use of consultants to provide the analysis and planning necessary to address the City's need for affordable housing.

The administrative expenses for FY09 and projected expenses for FY10 are included in Exhibit A. In FY10 administrative expenses are estimated to account for 26 percent of the City's Housing Development Fund expenditures, or \$5.4 million. Staff recommends that the Agency determine that the current and proposed expenditures are necessary for the production, improvement and preservation of low- and moderate-income housing.

2. NORTH PROJECT AREA'S CONTRIBUTION TO CENTRAL PROJECT AREA'S HOUSING SET-ASIDE OBLIGATION

The Independent Study of Redevelopment (May 2005) recommended the following:

Spreading the Wealth. LBRA (Long Beach Redevelopment Agency) should work to ensure that all redevelopment areas benefit from available TIF (tax increment fund) streams and redevelopment investments, to the extent permitted by California law.

As a mechanism to implement this recommendation, the Agency Board in October 2005, and again as part of the Agency's FY07, FY08 and FY09 budgets, approved the transfer of discretionary tax increment revenue from the North Long Beach Redevelopment Project Area to pay a portion of the Central Long Beach Redevelopment Project Area's housing set-aside obligation. In turn, the Central Long Beach Redevelopment Project Area repaid a portion of its debt to the City. The North Long Beach Redevelopment Project Area was tapped to assist with the repayment because a portion of the Port of Long Beach, which is a citywide asset, is located within the project area. Due to the City's current budget situation, the Agency's FY10 budget includes a \$2.3 million transfer to the City using the same mechanism.

3. FINDING THAT NORTH PROJECT AREA'S CONTRIBUTION TO CENTRAL PROJECT AREA'S HOUSING SET-ASIDE BENEFITS THE NORTH PROJECT AREA

To make the \$2.3 million transfer from the North Long Beach Redevelopment Project Area to the Central Long Beach Redevelopment Project Area's housing set-aside, the Agency and City Council must make a finding by resolution that the

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payment of additional housing set-aside is of benefit to the North Long Beach Redevelopment Project Area. Approval of this resolution by the Agency Board has been included as part of this letter's recommendations.

4. FINDING THAT THE USE OF TAXES FOR GRAFFITI ABATEMENT IS NECESSARY

The proposed FY10 budgets for the Central, Downtown, North and West Long Beach Redevelopment Project Areas includes a transfer totaling \$550,000 to the Department of Public Works for the City's Graffiti Abatement Program (GAP). These project areas experience significant graffiti. Section 33420.2 of the CRL provides that the Agency may use tax increment revenue to abate graffiti if the Agency finds that the abatement of graffiti is necessary to effectuate the purposes of the redevelopment plans for the project areas and will assist in the elimination of blight. Approval of a resolution making such findings is recommended as a part of this letter.

5. REDEVELOPMENT AGENCY BUDGET FOR FY10

The Agency is required to adopt a budget annually. Section 33606 of the CRL requires redevelopment agencies to include the following information in their annual budgets:

- Proposed expenditures
- Proposed indebtedness
- Anticipated revenues
- Work program for the coming year, including goals.
- An examination of the prior year's achievements and a comparison with the prior year's goals.

All of the items listed above are contained in Exhibit B, with the exception of the examination of the prior year's achievements and a comparison with the prior year's goals. The Agency Board will be asked to approve the examination of the FY09 achievements as compared to the goals for that year near the close of FY09 (September 30, 2009).

Each year, staff creates a very detailed budget for the Agency using the City's BPREP budget system. This detailed budget is included in the City budget that the City Council approves. From the detailed budget, staff prepares a budget summary for each redevelopment project area and the Project Income Fund. The budget summary is included in Exhibit B. Staff's goal in preparing the budget summary is to create a document that explains the Agency's budget in an easy-to-understand format.

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The Agency's budget is a planning document for the upcoming fiscal year. In response to changing market conditions, development opportunities and revenue adjustments, it may be necessary for the Agency to make adjustments to its programs and projects. Any substantial budget changes will be presented to the Agency Board for approval in open session to give the public an opportunity to comment.

Public Participation and City Council Consultations

Public participation was important in the formation of the Agency's FY10 budget. Staff began the budget creation process by preparing a list of budget priorities for each redevelopment project area. The budget priorities were reviewed by the Agency Board in two study sessions and presented to the Project Area Committees (PAC) at their meetings. The Agency also reviewed the budget summaries for each of the project areas during two Agency Board study sessions. The budget summaries have been presented to the three PACs. The Central, North and West Long Beach Industrial PACs have recommended that the Agency Board approve the FY10 budget. The budget was also reviewed and supported by the Downtown Long Beach Associates.

In addition to PAC participation, City Council Members were invited to discuss their FY10 budget priorities with the Agency Board at the following study sessions:

- March 2, 2009 – North Long Beach and West Long Beach Industrial
 - Bob Foster, Mayor
 - Tonia Reyes Uranga, Councilmember, 7th District
 - Rae Gabelich, Councilwoman, 8th District
 - Val Lerch, Councilmember, 9th District

- March 16, 2009 – Central Long Beach and Downtown Long Beach
 - Bob Foster, Mayor
 - Suja Lowenthal, Councilmember, 2nd District
 - Patrick O'Donnell, Councilmember, 4th District
 - Dee Andrews, Councilmember, 6th District
 - Tonia Reyes Uranga, Councilmember, 7th District

Many of the recommendations that resulted from the consultations with the PACs and City Council Members have been incorporated into the budget.

Voluntary Reserves

Tax increment revenues are exceedingly difficult to predict and can vary greatly from year to year. It is essential that no project area ever miss a bond debt service payment due to lack of revenues. The Agency has a policy to maintain a Voluntary Reserve for bond debt service payments. The policy is to hold reserves for each project area equal to one year's debt service payments. Staff's projections indicate

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that two of the seven project areas will have a fully funded Voluntary Reserve at the beginning of FY10. The seven project areas will meet their Voluntary Reserve by 51 to 100 percent, depending on the project area.

Educational Revenue Augmentation Fund

Following adoption of the Agency's FY09 budget, the State Legislature passed Assembly Bill 1389 (AB 1389) to assist in balancing the State's FY09 budget. AB 1389 added Section 33685 to the Health and Safety Code, which requires redevelopment agencies to remit funds to the Educational Revenue Augmentation Fund (ERAF). This requirement equated to an unanticipated and unbudgeted expense of \$6,070,996 for the Agency. However, in response to a lawsuit filed by the California Redevelopment Association (CRA), the Sacramento Superior Court found on April 30, 2009 that the redistribution of redevelopment funds to ERAF was unconstitutional. Consistent with the findings of the lawsuit and on the advice of the CRA, the Agency has not and will not make the FY09 ERAF payment that was due on May 10, 2009.

Impact of the Economy on the Budget

Economic conditions have led to high property assessment appeals and property tax delinquencies reflective of recent foreclosure rates. These conditions are expected to result in less tax increment revenue being allocated to the Agency during FY09 than previously anticipated. In particular, significant assessment appeals are currently pending for large port properties located within the North Long Beach and West Long Beach Industrial Redevelopment Project Areas. While fewer appeals have been filed for properties in the Central and Downtown Long Beach Project Areas, the Central Long Beach Project Area is experiencing a high delinquency rate.

Together, property assessment appeals filed prior to December 2008 and anticipated delinquencies are estimated to reduce FY09 revenues by approximately \$9 million. Lowered property values resulting from assessment appeals are projected to reduce tax increment in FY10. Continued low collection rates will also impact future revenues. To mitigate these reductions, the Agency has continued to follow its practice of multi-year planning. Activities of benefit to the project areas have been spread across FY09, FY10, FY11 and FY12 as funds are anticipated to be available to complete them.

Housing Set-Aside

The CRL requires the Agency to set aside 20% of its tax increment revenue for affordable housing. The proposed FY10 budget includes a full LMHSF contribution from all project areas. None of the project areas are expected to defer the housing set-aside. However, as described above, the North Long Beach Project Area is paying \$2.3 million of the Central Long Beach Project Area's housing set-aside. The total LMHSF contribution from all project areas is expected to be \$19,355,486 for FY10.

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Low- and Moderate-Income Housing Fund Transfer to Housing Development Fund

The Agency currently transfers all of its 20% LMHSF to the City's Housing Development Fund. Activities to be financed by the LMHSF during FY10 are contained in the budget of the Housing Services Bureau, which administers the City's Housing Development Fund. These activities are included in the Agency's budget by reference. The City Council and LBHDC authorize expenditures from this fund. Expenditures from the Housing Development Fund appear in the budget for the Department of Community Development's Housing Services Bureau.

Budget Summaries

A budget summary for each redevelopment project area is included in Exhibit B-1. A brief description of each project area budget is given below.

- Central Long Beach Redevelopment Project Area
The Central Long Beach Redevelopment Project Area should receive gross tax increment in the amount of \$20,147,301 in FY10; net tax increment is estimated to be \$14,077,007. The Central Long Beach Redevelopment Project Area's proposed FY10 budget contains expenditures totaling \$15,322,241. The projected ending fund balance will cover approximately 68 percent of the Central Long Beach Redevelopment Project Area's Voluntary Reserve of \$3,635,685.
- Downtown Redevelopment Project Area
During FY10, Downtown Redevelopment Project Area expenditures are roughly equivalent to anticipated revenues. Given the economy, the project area's land acquisition program has slowed and land sale proceeds are not anticipated in the near term. During FY10, activities will focus on bolstering retail in the Downtown through façade improvements and other revitalization programs. The ending fund balance in FY10 is projected to cover 100 percent of the Agency's Voluntary Reserve goal of \$7,343,000 for the Project Area.
- Los Altos Redevelopment Project Area
The Agency used funds loaned from the West Long Beach Industrial Redevelopment Project Area to redevelop the Los Altos Shopping Center. At the beginning of FY09 the loan balance was \$2.5 million. Funds from the Los Altos Redevelopment Project Area are primarily devoted to repaying this loan and paying debt service on the bonds issued in 2005. The Circuit City located in this shopping center closed in FY09, which will impact sales tax revenues received by the Project Area. The Agency's Voluntary Reserve goal is \$405,183 for the Los Altos Redevelopment Project Area. For FY10 the estimated ending fund balance for the Los Altos Redevelopment Project Area covers 60 percent of the Voluntary Reserve goal.
- North Long Beach Redevelopment Project Area
Prior to the current wave of property value assessments, 33 percent of the total value of the North Project Area was generated by port properties. The pending

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appeals for these properties alone are expected to result in a reduction of over \$4.3 million in FY09 gross tax increment revenue. Gross tax increment revenue for the North Long Beach Redevelopment Project Area is projected to be \$42,193,285 in FY10, and the net tax increment is estimated at \$22,063,515. These revenues plus remaining 2005 tax-exempt bond proceeds and Open Space Loan funds will cover the Project Area's proposed FY10 budget expenditures of \$40,153,012. The projected ending fund balance is short of the Agency's Voluntary Reserve for the North Long Beach Redevelopment Project Area (\$6,794,462) by approximately 42 percent.

- Poly High Redevelopment Project Area

The Poly High Redevelopment Project Area is expected to generate gross tax increment in the amount of \$840,464 in FY10 (\$607,944 in net tax increment). These revenues will cover the Project Area's debt service payments and other financial commitments. The Poly High Redevelopment Project Area has spent all bond proceeds, and at this point in time there are no excess funds to pursue any substantial projects. The Project Area is projected to achieve nearly 100 percent coverage of its Voluntary Reserve goal (\$221,806).

- West Beach Redevelopment Project Area

The West Beach Redevelopment Project Area is expected to generate gross tax increment in the amount of \$1,817,000 (net tax increment of \$1,279,394) with expenditures of \$1,332,316 in FY10. Tax increment not committed to financial obligations will be used for improvements to the Promenade in the Downtown Project Area, as approved by the Agency Board and City Council. The projected ending fund balance is short of the Voluntary Reserve goal of \$833,717 by approximately 26 percent.

- West Long Beach Industrial (WLBI) Redevelopment Project Area

WLBI Project Area expenditures for FY10 are focused on façade improvements, pump station upgrades and storm drain upgrades. These and other expenditures are expected to exceed revenues. The anticipated result is a reduction in the Project Area's fund balance from \$9,198,831 at the beginning of FY10 to a remaining balance of \$1,591,746 at the close of the fiscal year. The projected ending fund balance covers the WLBI Redevelopment Project Area's Voluntary Reserve goal of \$3,089,693 by approximately 52 percent.

- Project Income

The CRL requires redevelopment agencies to spend tax increment for the benefit of the project area that generates it. However, land sale proceeds, rents, loan repayments and other such revenues are not tax increment and do not have the same restrictions. The Agency has established a Project Income Fund for revenues that are not tax increment. The Project Income Fund can be used for expenditures in any redevelopment project area. The Project Income Fund serves as a reserve fund for the Agency and is used to assist project areas with

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insufficient revenues. The Agency anticipates transferring \$3 million from the Project Income Fund to the Downtown Project Area to cover expenses during FY10.

- Total Agency Budget

The proposed FY10 budget for all project areas and the Project Income Fund contains revenues totaling \$79,314,544 and expenditures of \$106,714,135. The Agency is expected to spend all of its revenues and an additional \$27,399,591, primarily remaining 2005 bond proceeds, Open Space Loan funds, transfers from the City's Housing Development Fund, and the fund balances of the project areas.

5. AMENDMENT TO FY09 AS DESCRIBED IN THE ESTIMATE-TO-CLOSE

The FY09 Agency Budget was adopted in June 2008. Since that time, projects have changed and new ones have been introduced. Staff has the benefit of more information on the Agency's projects and programs, and has produced revised estimates of revenues and expenditures for FY09 which are presented in Exhibit B-2. Staff has reviewed the proposed adjustments with the Agency Board and recommends approval of the proposed FY09 ETCs as shown in Exhibit B-2.

SUGGESTED ACTION:

Adopt recommendation.

Respectfully submitted,



CRAIG BECK
EXECUTIVE DIRECTOR

CB:AJB:LAF:SP

Attachments: Exhibit A – FY10 Administrative Expenses for Housing
Exhibit B – FY10 Proposed Budget
Redevelopment Agency Resolutions

EXHIBIT A



Building A Better Long Beach

**Redevelopment Agency
of the
City of Long Beach**

Fiscal Year 2010

**Administrative Expenses
for Housing**

**HOUSING SERVICES BUREAU
HOUSING DEVELOPMENT FUND
ADMINISTRATION - REVENUE/EXPENDITURES
CITY / LONG BEACH HOUSING DEVELOPMENT COMPANY
FY 2009 - 2010**

	A		B		C		D		E		F		G	
			FY 2009 Adopted Budget		FY 2010 Proposed Budget		FY 2010 Proposed Budget		LBHDC		LBHDC		COMBINED	
			CITY	LBHDC	CITY	LBHDC	CITY	LBHDC	CITY	LBHDC	CITY	LBHDC	CITY	LBHDC
(1)	REVENUE													
(2)	Tax Increment Housing Set-Aside						20,213,800							19,355,486
(3)	Program Income						1,060,250							1,201,580
(4)	TOTAL REVENUE						21,274,050							20,557,066
(5)														
(6)	EXPENDITURES													
(7)	Personal Services		2,403,882				2,403,882			3,351,269				3,351,269
(8)	Policy/Program/Project Development		679,600	374,250			1,053,850			679,600	396,250			1,075,850
(9)	Internal Services		361,207	34,500			395,707			437,668	28,741			466,409
(10)	Financial Management		83,264	-			83,264			85,259				85,259
(11)	Indirect Costs		201,631	-			201,631			201,631				201,631
(12)	TOTAL ADMINISTRATIVE COSTS		\$ 3,729,584	\$ 408,750			\$ 4,138,334			\$ 4,755,427	\$ 424,991			\$ 5,180,418
(13)	Percentage of Total Set-Aside Revenue		18%	2%			19%			23%	2.07%			25%

Memo: Program income excludes federal and state grant and loan funds, pass through loan repayments, and transfer from other City Funds.

EXHIBIT B



Building A Better Long Beach

**Redevelopment Agency
of the
City of Long Beach**

Fiscal Year 2010

Proposed Budget

**Exhibit B
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Budget Summaries

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Budget Summaries

Exhibit B-1

Summary of the Redevelopment Agency of the City of Long Beach FY10 Proposed Budget

	Central	Downtown	Los Altos	North	Poly High	West Beach	WLB1	Total Project Areas	Project Income	Total Funds
Beginning Fund Balance	\$3,337,247	\$6,483,655	\$223,197	\$20,847,291	\$127,867	\$595,948	\$9,198,831	\$40,814,036	\$4,525,542	\$45,339,578
Revenues										
Gross Tax Increment	\$20,147,301	\$20,663,208	\$721,988	\$42,193,285	\$840,464	\$1,817,000	\$10,394,182	\$96,777,428	\$0	\$96,777,428
Housing Set-Aside	(\$4,029,460)	(\$4,132,642)	(\$144,398)	(\$8,438,657)	(\$168,093)	(\$363,400)	(\$2,078,836)	(\$19,355,486)	0	(\$19,355,486)
North Trstr to Central	\$2,300,000	\$0	\$0	(\$2,300,000)	\$0	\$0	\$0	\$0	0	0
Tax Sharing	(\$4,029,460)	\$0	\$0	(\$8,731,430)	(\$52,000)	(\$147,000)	(\$790,536)	(\$13,760,426)	0	(\$13,760,426)
County Admin Fee	(\$311,374)	(\$290,629)	(\$9,983)	(\$659,683)	(\$12,427)	(\$27,206)	(\$176,700)	(\$1,488,003)	0	(\$1,488,003)
Net Tax Increment	14,077,007	16,239,937	567,607	22,063,515	607,944	1,279,394	7,348,109	62,183,514	0	62,183,514
Program Revenues	364,051	8,565,384	631,269	1,173,874	10,000	75,000	1,169,701	\$11,989,279	71,751	12,061,030
Restricted Revenues	0	1,250,000	0	0	0	0	0	\$1,250,000	3,820,000	5,070,000
Total Revenues	\$14,441,058	\$26,055,321	\$1,198,876	\$23,237,388	\$617,944	\$1,354,394	\$8,517,810	\$75,422,793	\$3,891,751	\$79,314,544
Expenditures										
Financing Costs	\$3,776,200	\$7,978,243	\$1,048,038	\$7,015,393	\$228,806	\$842,776	\$3,676,164	\$24,565,621	\$3,820,000	\$28,385,621
Neighborhood Revitalization	3,647,000	8,543,000	0	1,325,000	0	0	817,500	\$14,332,500	3,000,000	17,332,500
Corridor Revitalization	1,085,000	0	0	13,087,000	25,000	0	517,500	\$14,714,500	0	14,714,500
Open Space/Public Art	142,000	3,157,000	0	3,342,000	50,000	0	142,000	\$6,833,000	0	6,833,000
Public Improvements	2,500,000	3,772,460	0	12,700,000	0	350,000	8,860,000	\$28,182,460	0	28,182,460
Housing	0	0	0	150,000	0	0	500,000	\$650,000	0	650,000
Administration	4,172,041	1,773,958	133,842	2,533,618	220,582	139,541	1,611,732	\$10,585,314	30,740	10,616,054
Total Expenditures	\$15,322,241	\$25,224,661	\$1,181,881	\$40,153,012	\$524,389	\$1,332,316	\$16,124,896	\$99,863,396	\$6,850,740	\$106,714,135
Ending Fund Balance	\$2,456,063	\$7,314,315	\$240,193	\$3,931,668	\$221,422	\$618,026	\$1,591,746	\$16,373,433	\$1,566,553	\$17,939,986
Voluntary Reserve Amount Above/Below	(\$3,635,685)	(\$7,343,000)	(\$405,183)	(\$6,794,462)	(\$221,806)	(\$833,717)	(\$3,089,693)	(\$22,323,547)	NA	NA
	(\$1,179,622)	\$6,732	(\$164,980)	(\$2,862,794)	(\$384)	(\$215,691)	(\$1,497,947)	(\$5,950,114)	NA	NA

Exhibit B-2

Summary of the Redevelopment Agency of the City of Long Beach FY09 Estimates-to-Close

	Central	Downtown	Los Altos	North	Poly High	West Beach	WLB	Total Project Areas	Project Income	Total Funds
Beginning Fund Balance	\$7,162,469	\$13,165,106	\$346,834	\$34,097,820	\$560,195	\$1,810,112	\$17,466,659	\$74,609,195	\$3,391,551	\$78,000,746
Revenues										
Gross Tax Increment	\$20,804,999	\$20,680,656	\$722,986	\$38,476,069	\$768,789	\$1,741,000	\$7,151,723	\$90,346,222	\$0	\$90,346,222
Housing Set-Aside	(\$4,161,000)	(\$4,136,131)	(\$144,597)	(\$7,695,214)	(\$153,758)	(\$348,200)	(\$1,430,345)	(\$18,069,245)	0	(\$18,069,245)
North Trsfir to Central	\$2,300,000	\$0	\$0	(\$2,300,000)	\$0	\$0	\$0	\$0	0	0
Tax Sharing	(\$4,161,000)	\$0	\$0	(\$7,695,214)	(\$49,000)	(\$147,000)	(\$754,603)	(\$12,806,817)	0	(\$12,806,817)
County Admin Fee	(\$311,374)	(\$290,629)	(\$9,983)	(\$659,663)	(\$12,427)	(\$27,206)	(\$176,700)	(\$1,488,003)	0	(\$1,488,003)
Tax Sharing Dispute	\$0	\$0	\$0	\$0	(\$41,267)	\$0	(\$1,109,390)	(\$1,150,657)	0	(\$4,856,797)
Net Tax Increment	14,471,625	16,253,896	568,406	20,125,958	512,337	1,218,594	3,680,885	\$66,831,500	0	57,982,157
Program Revenues	10,652,214	1,378,106	717,661	4,984,205	10,000	75,000	880,701	\$18,697,887	1,163,836	19,861,723
Restricted Revenues	0	260,000	0	0	0	0	0	\$260,000	3,820,000	5,070,000
Total Revenues	\$25,123,839	\$17,892,002	\$1,286,067	\$25,110,163	\$622,337	\$1,293,594	\$4,561,386	\$75,789,387	\$4,983,836	\$82,913,880
Expenditures										
Financing Costs	\$3,774,977	\$7,942,894	\$1,129,469	\$6,998,920	\$225,507	\$842,888	\$3,670,057	\$24,584,712	\$3,820,000	\$28,404,712
Neighborhood Revitalization	1,344,000	5,125,000	0	1,375,000	0	0	2,032,500	\$9,876,500	0	9,876,500
Corridor Revitalization	4,815,000	0	0	12,487,000	0	0	2,352,500	\$19,654,500	0	19,654,500
Open Space/Public Art	11,045,984	4,171,000	0	10,640,903	225,000	0	180,000	\$26,262,887	0	26,262,887
Public Improvements	3,100,000	5,159,749	150,000	4,156,000	290,000	1,529,394	2,990,000	\$17,375,143	0	17,375,143
Housing	520,000	0	0	150,000	0	0	0	\$670,000	0	670,000
Administration	4,349,101	2,174,809	130,235	2,552,869	214,158	135,476	1,604,157	\$11,160,805	29,844	11,190,649
Total Expenditures	\$28,949,062	\$24,573,452	\$1,409,704	\$38,360,692	\$954,665	\$2,507,758	\$12,829,214	\$109,584,547	\$3,849,844	\$113,434,391
Ending Fund Balance	\$3,337,246	\$6,483,656	\$223,197	\$20,847,291	\$127,867	\$595,948	\$9,198,831	\$40,814,035	\$4,525,543	\$47,480,235
Voluntary Reserve Amount Above/Below	(\$3,637,253)	(\$7,317,338)	(\$412,058)	(\$6,792,989)	(\$218,507)	(\$833,829)	(\$3,088,836)	(\$22,300,810)	NA	NA
	(\$300,007)	(\$798,265)	(\$188,861)	\$14,054,302	(\$90,640)	(\$237,881)	\$6,109,995	\$18,513,225	NA	NA

**Project Area Goals and Work Plans
for FY 2009-2010**

CENTRAL LONG BEACH REDEVELOPMENT PROJECT AREA GOALS AND WORK PLAN FOR FY10

1) Contribute to neighborhood revitalization.

- Encourage human-scale, pedestrian-oriented developments as well as neighborhood identity initiatives:
 - East Village
 - Wrigley Village
 - Orizaba Design District
- Support the preservation and enhancement of the Willmore City Historic District with the disposition and rehabilitation of four vintage homes.
- Support the development of market-rate housing/mixed-use/commercial/industrial developments:
 - Shoreline Gateway
 - Downtown Courthouse
 - Atlantic Avenue and Willow Street
- Facilitate the development of the Willow and Atlantic Development Site.
- Support Neighborhood Code Enforcement and Graffiti Abatement.

2) Contribute to corridor revitalization.

- Continue redevelopment efforts along commercial corridors including transit-oriented developments.
- Initiate the Commercial Façade Improvement Program along target corridors.
 - West Willow Street
 - East Anaheim Street
 - West Anaheim Street
 - Pacific Avenue
 - Pacific Coast Highway
- Facilitate the development of the Pacific Avenue and Pacific Coast Highway Node.
- Facilitate the development of Agency-owned property along commercial corridors:
 - Pine Avenue and PCH
 - East Anaheim and Lime Avenue

- Continue to support the Commercial Screening Program.
- Support the implementation of St. Mary and Memorial Hospital's master plans.
- Continue to support the Fence Enhancement Pilot Program with Long Beach Unified School District.
- Support and encourage business assistance programs that focus on Central Long Beach businesses.

3) Contribute to open space and public art development.

- Begin construction of the Orizaba Park Expansion Project.
- Complete the development of Rosa Parks Park at 15th Street and Alamitos Avenue.
- Facilitate the development of Craftsman Park.
- Facilitate the development and expansion of McBride Park.
- Facilitate the development and expansion at P E Right of Way Bike Trail Project.
- Complete the development and expansion of Seaside Park.
- Support the creation and installation of public art.

4) Contribute to infrastructure and public improvements.

- Complete Phase II construction of the Magnolia Industrial Group Street Reconstruction.
- Maintain the enhancements to the Martin Luther King Median Islands.
- Begin construction of the pedestrian-oriented streetscape improvements within pedestrian-oriented retail districts:
 - East Village
 - Wrigley Village

5) Support the development of affordable housing in Long Beach.

- Transfer 20% of available project area tax increment to the Housing Development Fund.
- Continue to identify future opportunities for affordable housing within the Housing Action Plan target areas.
- Assist in site assembly to support affordable housing developments.
- Support the implementation of the goals identified in the Housing Action Plan.
- Support opportunities to incorporate affordable housing in residential or mixed-use developments.

6) Facilitate the efficient administration of the Project Area.

- Implement the Strategic Guide for Development for the Central Project Area.
- Implement the Willmore District Implementation Plan.
- Implement the Central Long Beach Design Guidelines.
- Implement the Orizaba Design District Implementation Plan.
- Continue to provide staff support to the Central Project Area Committee.
- Continue to liaison with the Arts Council for Long Beach.

DOWNTOWN REDEVELOPMENT PROJECT AREA GOALS AND WORK PLAN FOR FY10

- 1) Encourage neighborhood revitalization through commercial and mixed-use development in the Downtown in conformance with the Redevelopment Plan and the Downtown Strategy for Development.**
 - Provide incentives to appropriate retailers to locate in Downtown.
 - Continue to facilitate development of the Hotel Esterel site (formerly D'Orsay Hotel).
 - Implement DDA for West Gateway Project with Lyon Realty Advisors.
 - Solicit Requests for Proposals (RFPs) from qualified developers for a mixed-use development for the half block bordered by 3rd and 4th Streets and Pacific Avenue.
 - Implement MOU between CSU Long Beach and RDA to explore financial feasibility and conceptual design for the redevelopment of the block at Long Beach Boulevard and 3rd Street (Broadway Block).
 - Negotiate DDA with AloftLB, LLC for a hotel project along Long Beach Boulevard between Alta Way and Broadway.
 - Continue to work with the owner of Pine Square/Pacific Court on the reuse/conversion of underutilized AMC Theater space into retail or condominiums.
 - Negotiate DDA with Urban Growth Long Beach for development of a hotel on the southern portion of the block at 1st Street, Long Beach Boulevard and Alta Way.
 - Finalize site plan for the reuse of the American Hotel and submit for planning approvals and CEQA clearance.
 - Continue to pursue development of sites along Ocean Boulevard.

2) Encourage open space and public art development in the Downtown in conformance with the Redevelopment Plan and the Downtown Strategy for Development.

- Implement Phase I of the Art Exchange at the southeast corner of Long Beach Boulevard and 3rd Street.
- Complete construction design for The Promenade Open Space Master Plan and public art installation on the remaining blocks including Promenade Square & Bike Station, South Block and Victory Park, and North Block/Mural Park.
- Begin construction of South Block and Victory Park. Implement public art on key corridors with Ocean Boulevard as a priority.
- Continue working with Phantom Galleries to place interim public art exhibits in vacant storefronts.

3) Encourage infrastructure and public improvements in conformance with the Redevelopment Plan and Downtown Strategy for Development.

- Begin construction of open space and pedestrian linkages (Phase I in front of Lyon West Gateway) through the West Gateway Area to The Promenade and Long Beach Boulevard.
- Implement recommendations of the Downtown Parking Study.
- Initiate plans to redevelop the 3rd Street and Promenade site adjacent to the WPA Mosaic (Mural Park) into open space.
- Seek additional funding for the construction of additional parking spaces at CityPlace south garage.

4) Support the development of affordable housing in Long Beach.

- Transfer 20% of available project area tax increment to the Housing Development Fund.

5) Encourage effective project area administration in conformance with Redevelopment Plan and Downtown Strategy for Development.

- Continue participation in Downtown Community Plan, a comprehensive revision of PD30 Zoning for height and density flexibility and for mixed-use project standards.
- Continue participation in General Plan update.
- Continue partnership with Downtown Long Beach Associates and Downtown businesses through contributions to marketing and economic development efforts.
- Provide staff support for the Downtown Property Based Improvements District (PBID) and the Downtown Long Beach Associates (DLBA).

LOS ALTOS REDEVELOPMENT PROJECT AREA GOALS AND WORK PLAN FOR FY10

1) Support the development of affordable housing in Long Beach.

- Transfer 20% of available project area tax increment to the Housing Development Fund.

2) Administer the Project Area's obligations effectively.

- Use sales tax revenue and tax increment for bond debt service, administrative expenses, public art maintenance, and repayment of the loan from the West Long Beach Industrial (WLBI) Project Area.
- Maintain reserve for capital replacement to preserve the public amenities created as part of the redevelopment of the Los Altos Shopping Center.

NORTH LONG BEACH REDEVELOPMENT PROJECT AREA GOALS AND WORK PLAN FOR FY10

1) Contribute towards neighborhood revitalization.

- Continue Neighborhood Enhancement Area program:
 - Sutter School & Coolidge Triangle
 - Jane Addams & Grant School
 - Dairy Avenue & Jordan High School
 - Lindbergh School & Bret Harte
 - DeForest Park & Cal-Cherry
- Continue Multi-Family Improvement program.
- Continue Pro-active Code Enforcement program.

2) Contribute towards corridor revitalization

- Revitalize existing commercial/retail sites:
 - Bixby Knolls – General
 - Bixby Knolls Shopping Center
 - North Village Center
 - Virginia Village
- Develop new commercial/retail sites:
 - North Village Center
 - NEC Atlantic Avenue and Artesia Boulevard
- Continue commercial façade program.
- Add public parking:
 - North Village Center
 - Virginia Village
- Continue commercial fencing program.
- Create new home ownership opportunities with a focus on public transportation:
 - Waite Motel Site

3) Contribute towards open space/public art development.

- Continue development of additional open/park space:
 - Scherer Park facility improvements
 - Houghton Park facility improvements
 - Davenport Expansion
 - Oregon Park

4) Contribute towards infrastructure/public improvements.

- Continue streetscape improvements.
- Continue median improvements.
- Fire Station 12.
- Fire Station 9.
- North Village Library.
- Add median and/or streetscape improvements:
 - Del Amo Boulevard
 - Atlantic Avenue and Southern Gateway
 - Artesia boulevard
 - Long Beach Boulevard

5) Facilitate efficient administration of the Project Area.

- Implement North Long Beach Strategic Guide for Redevelopment.
- Implement North Long Beach Street Enhancement Plan.
- Facilitate business attraction/retention in North Long Beach.
- Implement North Long Beach Design Guidelines.
- Identify sites for redevelopment consistent with the Strategic Guide.
- Provide support to the North Project Area Committee.

POLY HIGH REDEVELOPMENT PROJECT AREA GOALS AND WORK PLAN FOR FY10

1) Contribute to corridor revitalization.

- Eliminate and prevent blight along the Project Area's commercial corridors:
 - Provide rehabilitation assistance for commercial properties along commercial corridors.
 - Explore the possibility of joint development of sites along Pacific Coast Highway with the Long Beach Unified School District.
 - Continue to support the Fence Enhancement Pilot Program with Poly High School.
 - Continue to support the Commercial Screening Program.

2) Contribute to open space and public art development.

- Support the creation and installation of public art.
- Support the creation of streetscape/open space improvements.

3) Contribute to infrastructure and public improvements.

- Preserve the public amenities created as part of the redevelopment of the Poly High Project Area:
 - Continue to assist in the development of public infrastructure and open space development projects.

4) Support the development of affordable housing in Long Beach

- Continue to support the development of affordable housing by transferring 20% of project area tax increment to the Housing development Fund:
 - Provide 20% of project area tax increment for the development of affordable housing.

WEST BEACH REDEVELOPMENT PROJECT AREA GOALS AND WORK PLAN FOR FY10

- 1) Participate in the Golden Shore Master Plan and entitlement process.**
- 2) Continue to support development of the West Ocean commercial corridor.**
 - Continue to assist private sector developments in the Project Area in conformance with the Redevelopment Plan and Downtown Strategy for Development
- 3) Provide additional recreation opportunities or other infrastructure improvements to benefit the project area.**
 - Assist with infrastructure improvements that benefit the project area, with South Block and Victory Park as a priority
- 4) Support the development of affordable housing in Long Beach,**
 - Transfer 20% of available project area tax increment to the Housing Development Fund
- 5) Serve as staff support to various committees and organizations.**
 - Provide staff support for the Downtown Property Based Improvement District (PBID) and the Downtown Long Beach Associates (DLBA)

WEST LONG BEACH INDUSTRIAL PROJECT AREA GOALS AND WORK PLAN FOR FY10

1) Neighborhood Revitalization

- Facilitate the removal of non-conforming uses.
- Create new development opportunities.
- Maintain pro-active Code Enforcement Program.
- Maintain commercial façade improvement program.
- Implement the Industrial Strategic Action Plan.

2) Corridor Revitalization

- Facilitate removal and conversion of non-conforming uses.
- Create new development opportunities.
- Maintain pro-active Code Enforcement Program.
- Maintain commercial façade improvement program.

3) Open Space / Public Art Development

- Enhance the image and identity of the Westside as a prosperous industrial community.

4) Infrastructure / Public Improvements

- Improve infrastructure to support existing businesses
 - Storm drain and pump station improvement project
- Create a more pleasant environment through an attractive streetscape program.
 - Pacific Coast Highway

5) Housing

- Support the development of affordable housing in Long Beach.
 - Transfer 20% of project area tax increment to the Housing Development Fund.

6) Facilitate the Efficient Administration of the Project Area.

- Continue to provide funding and staff support to the West Long Beach Industrial Project Area Committee.

RESOLUTION NO. R.A.

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA, FINDING THAT THE USE OF TAXES ALLOCATED TO THE NORTH REDEVELOPMENT PROJECT ON BEHALF OF THE CENTRAL REDEVELOPMENT PROJECT FOR THE PURPOSE OF INCREASING, IMPROVING AND PRESERVING THE COMMUNITY'S SUPPLY OF LOW- AND-MODERATE-INCOME HOUSING WILL BE OF BENEFIT TO THE NORTH REDEVELOPMENT PROJECT

WHEREAS, the Redevelopment Agency of the City of Long Beach, California (the "Agency"), adopted redevelopment plans for the North Long Beach Redevelopment Project (the "North Project") and the Central Long Beach Redevelopment Project (the "Central Project"); and

WHEREAS, Section 33334.2 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) requires that not less than twenty percent (20%) of all taxes allocated to each project area to be used by the Agency for the purpose of increasing, improving and preserving the community's supply of low-and-moderate-income housing available at affordable housing cost; and

WHEREAS, the Agency desires to utilize funds presently allocated to the North Project to assist the Central Project in meeting its twenty percent (20%) set aside obligation for Fiscal Years 2009-10; and

WHEREAS, Section 33334.3 of the Community Redevelopment Law provides that the Agency may use such funds in this manner if a finding is made by resolution of the Agency and the City Council that such use will be of benefit to the North Project;

NOW, THEREFORE, the Redevelopment Agency of the City of Long Beach, California resolves as follows:

Section 1. That the use of taxes allocated to the North Project to assist the Central Project's obligation of increasing, improving and preserving the community's supply of low-and-moderate-income housing available at affordable housing cost will be of benefit to the North Project.

APPROVED AND ADOPTED by the Redevelopment Agency of the City of Long Beach, California this _____ day of _____, 2009.

Executive Director/Secretary

APPROVED:

Chair

RESOLUTION NO. R.A.

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA, FINDING THAT THE USE OF TAXES ALLOCATED TO THE NORTH, CENTRAL, WEST LONG BEACH INDUSTRIAL AND DOWNTOWN REDEVELOPMENT PROJECTS FOR THE PURPOSE OF GRAFFITI ABATEMENT IS NECESSARY TO EFFECTUATE THE REDEVELOPMENT PLANS FOR SUCH REDEVELOPMENT PROJECTS

WHEREAS, the Redevelopment Agency of the City of Long Beach, California (the "Agency"), adopted redevelopment plans for the North Long Beach Redevelopment Project (the "North Project"), the Central Long Beach Redevelopment Project (the "Central Project"), the West Long Beach Industrial Redevelopment Project (the "Westside Project") and the Downtown Long Beach Redevelopment Project (the "Downtown Project"); and

WHEREAS, the Agency desires to utilize funds presently allocated to the North, Central, Westside and Downtown Projects to perform graffiti abatement; and

WHEREAS, Section 33420.2 of the Community Redevelopment Law provides that the Agency may use such funds in this manner if certain findings are made;

NOW, THEREFORE, the Redevelopment Agency of the City of Long Beach, California resolves as follows:

Section 1. Because of the magnitude and severity of graffiti on properties located in the North, Central, Westside and Downtown Projects, the use of

tax increment for abatement of such graffiti is necessary to effectuate the purposes of the plans for the Projects and will assist with the elimination of blight in the Projects

APPROVED AND ADOPTED by the Redevelopment Agency of the City of Long Beach, California this _____ day of _____, 2009.

Executive Director/Secretary

APPROVED:

Chair