

What is Redevelopment?

- Redevelopment is a program enacted by the State of California in 1945 to eliminate blight.
- Blight refers to physical, social and economic conditions that deter private sector investment within the area.



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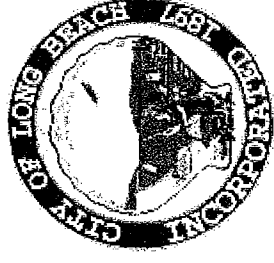
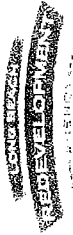
What is Redevelopment in Long Beach?

- In order to use its redevelopment authority, the City must adopt redevelopment plans.
- Community members participated in the formulation and adoption of these plans and continue to guide implementation.
- These plans outline the general goals, financing capabilities and tools available to eliminate blight.



What is Redevelopment in Long Beach?

- The City has seven project areas
 - Central
 - North
 - Downtown
 - West Long Beach Industrial
 - Poly High
 - West Beach
 - Los Altos
- Four of the project areas are active and cover approximately 16,915 acres or 40% of the City's total area.



How is Redevelopment Funded?

- Redevelopment is funded through a tool called tax increment.
- Tax increment funding was approved by California voters in 1951.
- Tax increment revenues are property taxes that remain within the community in which they are generated. They are not new taxes.

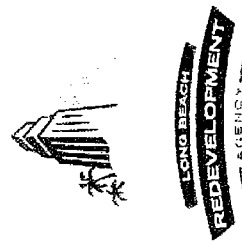
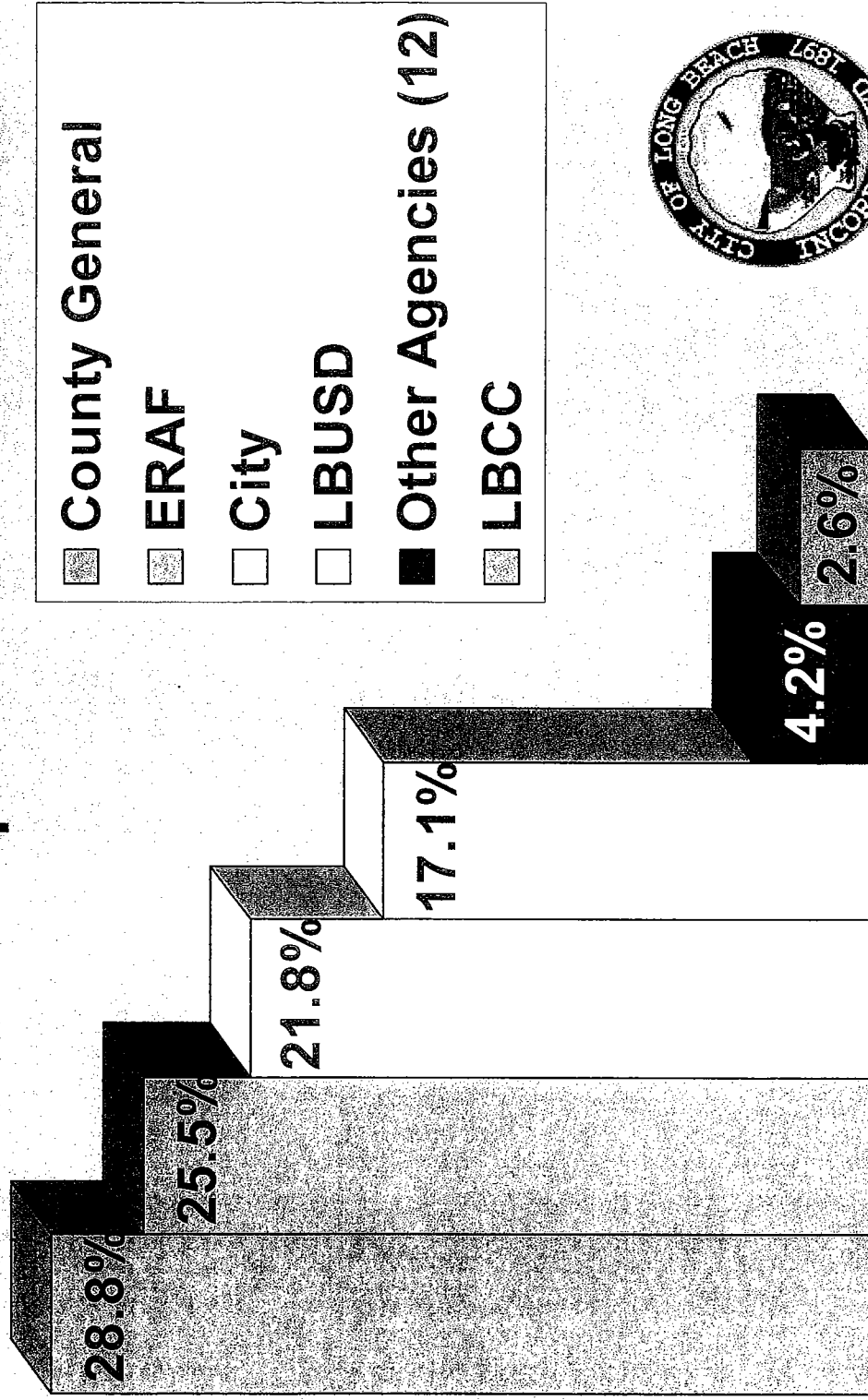


How are property tax revenues allocated without redevelopment?

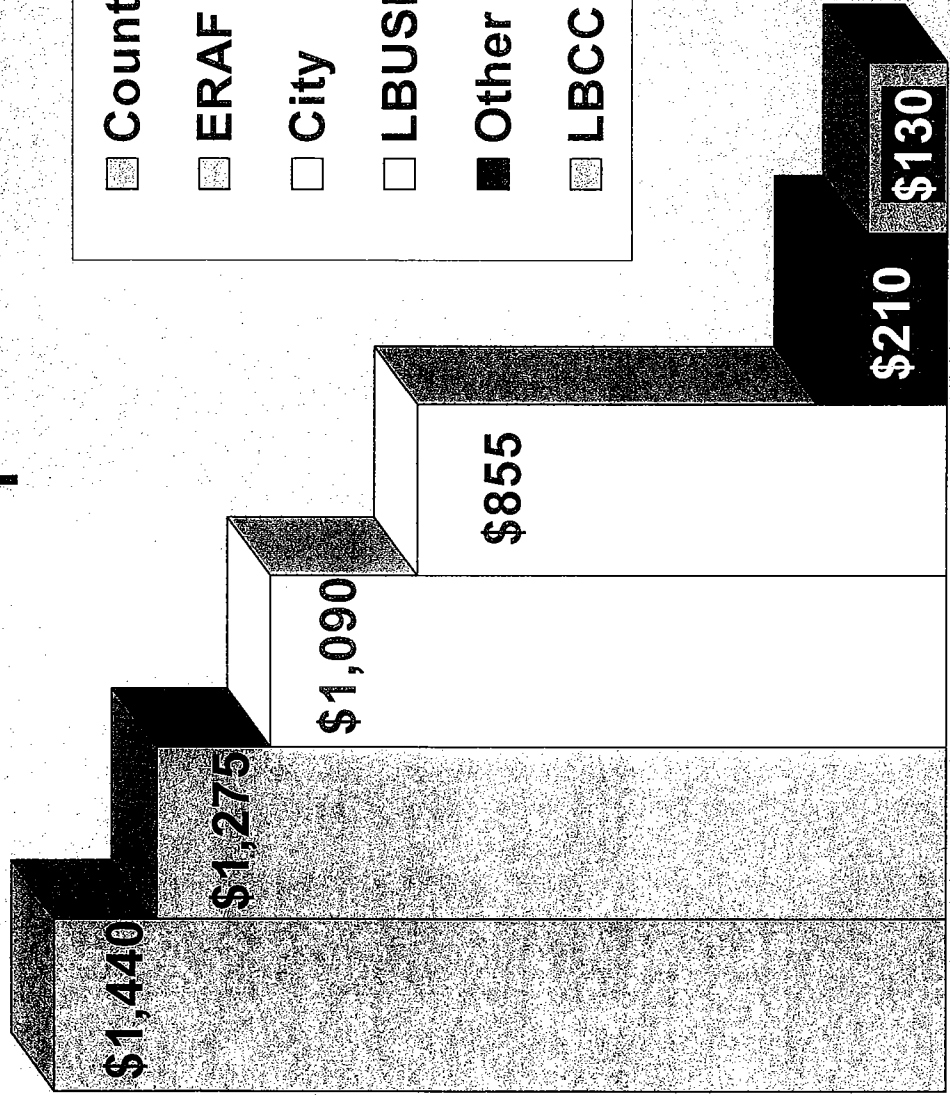
- Basic property tax revenues represent 1% of your assessed property value.
 - Property value \$500,000
 - Basic tax (1%) \$5,000
- The basic tax is divided among taxing agencies.



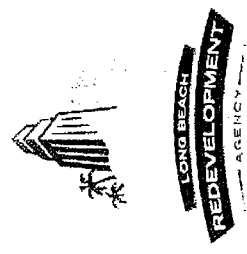
How are property tax revenues allocated without redevelopment?



How are property tax revenues allocated without redevelopment?



- County General
- ERAF
- City
- LBUSD
- Other Agencies (12)
- LBCC



How much property tax revenues would remain in the City without redevelopment?

FY 2006 Total Property Value	\$11,930,000,000
Basic Tax Rate	<u>x 1%</u>
Property Tax Revenue	<u>119,300,000</u>
Non-City Share (78%)	<u>93,054,000</u>
City Share (22%)	<u>\$26,246,000</u>



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How are property tax revenues allocated when there is a redevelopment project?

- Taxing agencies continue to receive the same amount of property tax revenues they received when the redevelopment plan was adopted (also known as the base year value).
- After a redevelopment plan is adopted, the redevelopment agency is allocated any increases in property taxes resulting from a reassessment of property (i.e., a property sold or undergoes a major rehabilitation).



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How are property tax revenues allocated when there is a redevelopment project?

- Depending on when the redevelopment plan was adopted, 80 to 100% of the increases in property tax revenues stay within the City after the project area is established.



How are property tax revenues allocated when there is a redevelopment project area?

	Current Value (2006)	Base Year Value (2001)	Increase in Value
Property Value	\$500,000	\$300,000	\$200,000
Basic Tax Rate	<u> x 1%</u>	<u> x 1%</u>	<u> x 1%</u>
Basic Tax	\$5,000	\$3,000	\$2,000
Stays with community	\$2,260	\$660 (22%)	\$1,600 (80%)
Leaves community	\$2,740	\$2,340 (78%)	\$400 (20%)

How much property tax revenue remains in the City with redevelopment?

FY 2006 Total Property Value	\$11,930,000,000
Less Base Value	<u>5,324,000,000</u>
Incremental Value	6,606,000,000
Basic Tax Rate	<u> x 1%</u>
Gross Tax Increment	66,060,000
TI Paid to non-City Taxing	-8,460,000
County Administration Fee	<u>-1,445,000</u>
TI Revenue to City	56,155,000
City's Share of Base	<u>11,712,800</u>
Total City Share	<u><u>\$67,867,800</u></u>

How does the amount of property tax revenue staying in the City compare with and without redevelopment?

City Share with Redevelopment	\$67,867,800
City Share w/o Redevelopment	<u>26,246,000</u>
Difference	\$41,621,800



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What does redevelopment do for the City?

- Eliminates blight by
 - Constructing public improvements
 - Providing services in underserved areas
 - Removing nuisance properties
 - Assisting with the development of affordable housing
 - Attracting commercial development
 - Supporting economic drivers



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