



Building A Better Long Beach

May 16, 2011

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Receive and file update on the Redevelopment Agency's 2011-2012 budget.
(All Project Areas – Citywide)

DISCUSSION

On March 10, 2011, staff notified the Redevelopment Agency (Agency) Board that Fiscal Year 2011-2012 (FY12) budget preparations were being postponed until such time as staff had more information regarding the State's FY12 budget and its potential impact on the Agency's tax increment revenue.

As of this writing, neither the Assembly nor the Senate had taken final action on AB 101 or SB 77, respectively, the two bills that propose to eliminate redevelopment agencies. Despite the continuing uncertainty, staff has commenced preparation of the FY12 budget with the assumption that tax increment funding will continue in FY12. The City's budget process imposes deadlines for budget submittals and preparation of the Agency's FY12 budget must commence to ensure that those deadlines are met.

Staff is proceeding with preparation of a conservative budget since SB 77 and AB 101 both remain available for consideration by the State Legislature at any time. Enactment of either of these bills would eliminate the Agency and radically reduce future tax increment revenues. Staff's approach to the FY12 budget is to maintain a "status quo," assuming no new projects and programs, but completing and continuing projects and programs identified in the FY11 budget.

Below is staff's proposed FY12 budget discussion schedule:

- Thursday, May 26 – North PAC Meeting: Present FY12 Priorities and Budget
- Thursday, June 2 – Central PAC Meeting: Present FY12 Priorities and Budget
- Monday, June 6 – Agency Board Meeting: Present FY12 Priorities and Budget
- Wednesday, June 8 – WLBI PAC Meeting: Present FY12 Priorities and Budget
- Monday, June 20 – Agency Board Meeting: Submit FY12 Budget for Agency Approval

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Staff will continue to provide the Agency Board with updates on the State's FY12 budget, specifically SB 77 and AB 101, as well as any other bills affecting tax increment funding or redevelopment operational procedures.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT M. ZUR SCHMIEDE, AICP
ASSISTANT EXECUTIVE DIRECTOR



AMY J. BODEK, AICP
EXECUTIVE DIRECTOR

AJB:RZS:DLH