



# 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

February 23, 2015

## OVERSIGHT BOARD MEMBERS

### RECOMMENDATION:

Adopt a resolution approving the decision of the Successor Agency to the Redevelopment Agency of the City of Long Beach to approve an amended repayment schedule for the amounts of Property Tax funds (formerly 20 Percent Tax Increment Set-Aside) owed by the former Redevelopment Agency to the Low- and Moderate-Income Housing Asset Fund and submit to the State of California Department of Finance for approval.

### DISCUSSION

On February 11, 2014, the Successor Agency reviewed and approved a revised repayment schedule for \$24,721,890 in funds the former Redevelopment Agency (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 City of Long Beach as Successor Agency to the Redevelopment Agency of the City of Long Beach (Oversight Board) 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 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 Low- and Moderate-Income Housing Funds were established in the mid-1980s and the Downtown Project Area had pre-existing obligations that precluded making the annual set-aside payments. The loan agreement in 2010 was incurred when the Agency borrowed the entire Fiscal Year 2009-2010 Low- and Moderate-Income Housing Set-Aside amount to assist the

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Agency with making its SERAF payment. The first payment of \$8,848,132 on the original repayment schedule was made on September 25, 2014, reducing the balance owed to \$15,873,758.

The formula for the repayment amount in FY15-16 is as follows:

$$(FY14-15 \text{ residual proceeds} - FY12-13 \text{ residual proceeds}) \times 50\%$$

or

$$(\$55,080,393 - \$45,018,614) \times 50\% = \$5,030,890$$

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	Payment Based on Estimated 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		\$10,843,370
2015-16/ ROPS 16-17A			\$10,843,370	\$0

\*Actual repayment amounts will be less than or equal to the maximum amount allowed pursuant to Health and Safety Code Section 34176(e)(6)(B).

The ROPS 16-17A period repayment amount is an estimate. The repayment amounts will be updated annually when the actual fiscal year residual amount is available. Actual repayment amounts will not exceed the maximum amount allowed pursuant to Health and Safety Code Section 34176(e)(6)(B).

This matter will be considered by the Successor Agency to the Redevelopment Agency of the City of Long Beach on February 17, 2015.

Oversight Board action is requested on February 23, 2015, to facilitate DoF review of the amended payment schedule. The FY15-16 repayment is requested on ROPS 15-16A, so DoF review of the amended repayment schedule must be concurrent with review of ROPS 15-16A (July 1 through December 31, 2015). The ROPS is due to the DoF on March 3, 2015.

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Respectfully submitted,



AMY J. BODEK, AICP  
DIRECTOR OF DEVELOPMENT SERVICES



PATRICK H. WEST  
CITY MANAGER

PHW:AJB:LAF

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Attachments: Resolution

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

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 AMOUNTS OF  
8 PROPERTY TAX FUNDS THE FORMER  
9 REDEVELOPMENT AGENCY OWES TO THE LOW- AND  
10 MODERATE-INCOME HOUSING FUND  
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12 WHEREAS, on February 11, 2014, the Successor Agency to the  
13 Redevelopment Agency ("Successor Agency") reviewed and approved a revised  
14 repayment schedule the former Redevelopment Agency owes to the Low- and Moderate-  
15 Income Housing Fund; and

16 WHEREAS, the Oversight Board of the City of Long Beach as Successor  
17 Agency to the Redevelopment Agency of the City of Long Beach ("Oversight Board")  
18 approved the same schedule on February 24, 2014; and

19 WHEREAS, the California Department of Finance has requested that the  
20 dollar amounts requested for this repayment on each Recognized Obligation Payment  
21 Schedule be based on actual dollar amounts and not estimates; and

22 WHEREAS, the repayment schedule needs to be amended annually based  
23 on the actual Redevelopment Property Tax Trust Fund distributions to the Successor  
24 Agency; and

25 NOW, THEREFORE, the Oversight Board resolves as follows:

26 Section 1. Approve the amended repayment schedule attached as  
27 Exhibit "A" for the funds the former Redevelopment Agency owes to the Low- and  
28 Moderate-Income Housing Fund.

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

PASSED, APPROVED, and ADOPTED at a meeting of the Oversight Board of the City of Long Beach as the Successor Agency to the Redevelopment Agency of the City of Long Beach held this \_\_\_\_\_ day of \_\_\_\_\_, 2015 by the following vote:

Ayes:

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\_\_\_\_\_

Noes:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Absent:

\_\_\_\_\_

\_\_\_\_\_  
Chairperson, Oversight Board

APPROVED:

\_\_\_\_\_  
Secretary, Oversight Board