



# Building A Better Long Beach

August 24, 2009

REDEVELOPMENT AGENCY BOARD MEMBERS  
City of Long Beach  
California

## RECOMMENDATION:

Approve and authorize the Executive Director to execute a Memorandum of Understanding with the Long Beach Housing Development Company regarding the Fiscal Year 2010 Supplemental Educational Revenue Augmentation Fund (SERAF) Shift. (All Project Areas – Citywide)

## DISCUSSION

On July 24, 2009, the California State Legislature voted to take \$2.05 billion from the state's redevelopment agencies during Fiscal Year 2010 (FY10) and Fiscal Year 2011 (FY11) as part of Assembly Bill (AB) 26 4x. The California Redevelopment Association (CRA) has estimated that the take from the Long Beach Redevelopment Agency (Agency) will be \$29,487,696 in FY10 and \$6,070,996 in FY11. AB 26 4x provides a few options to make the FY10 SERAF payment, such as redevelopment agencies borrowing up to 100 percent of the FY10 and FY11 low- and moderate-income housing set-aside (Housing Set-Aside). AB 26 4x requires that any Housing Set-Aside funds utilized for the SERAF shift must be repaid within five years.

The Agency has an existing agreement with the City of Long Beach to transfer the Housing Set-Aside to the City Housing Fund, which is administered by the Long Beach Housing Development Company (LBHDC) for low- and moderate-income housing programs and projects. On August 5, 2009, LBHDC supported staff's recommendation to utilize the FY10 Housing Set-Aside for the SERAF shift. In addition, LBHDC requested that a memorandum of understanding between the Agency and LBHDC be executed to memorialize the five-year repayment plan. The Housing Set-Aside's estimated share of SERAF and a repayment schedule is presented in Exhibit A. The repayment schedule shows the repayment beginning in FY11 and that no funds would be borrowed from the FY11 Housing Set-Aside.

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SUGGESTED ACTION:

Adopt recommendation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Beck', with a horizontal line extending to the right from the end of the signature.

CRAIG BECK  
EXECUTIVE DIRECTOR

CB:AJB:LAF

Attachment: Exhibit A – Estimated SERAF Shift and Housing Set-Aside Repayment

**EXHIBIT A**  
**Estimated SERAF Shift and Housing Set-Aside Repayment**

	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>Total</b>
<b>Annual 20% Housing Set-Aside</b>	\$19,355,486	\$19,742,595	\$20,137,447	\$20,540,196	\$20,951,000	\$21,370,020	\$122,096,744
<b>SERAF Payments</b>							
SERAF--Housing Set-Aside	19,355,486	0	0	0	0	0	19,355,486
SERAF--RDA	10,644,514	6,070,996	0	0	0	0	16,715,510
<b>RDA Transfer to Housing Fund</b>							
Annual 20% Housing Set-Aside	0	19,742,595	20,137,447	20,540,196	20,951,000	21,370,020	102,741,259
SERAF Repayment	0	3,871,097	3,871,097	3,871,097	3,871,097	3,871,097	19,355,486
<b>Total</b>	<b>0</b>	<b>23,613,692</b>	<b>24,008,544</b>	<b>24,411,293</b>	<b>24,822,097</b>	<b>25,241,117</b>	<b>122,096,744</b>