



LOW and MODERATE HOUSING FUND DUE DILIGENCE REVIEW

Public Comment Session

October 1, 2012



Successor Agency to the Redevelopment Agency of the City of Long Beach



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Low-Mod Housing Fund History

1987

California Redevelopment Law required redevelopment agencies to set aside at least 20% of tax increment revenues for low and moderate income housing.



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1988

The City of Long Beach and the Redevelopment Agency (RDA) entered into an agreement so that RDA could transfer the 20% housing set-aside to the City.



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1989

The Long Beach Housing Development Company (LBHDC), a wholly owned 501(c)3 nonprofit, with the City as its sole member, was established to assist in the creation and development of affordable housing.



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LBHDC's MISSION

To promote safe and livable neighborhoods in Long Beach by developing and preserving decent, safe and quality affordable housing for the very low-, low- and moderate-income residents of Long Beach.



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2004

City Council adopted the Housing
Action Plan and designated the LBHDC
as the administrator of the
Redevelopment 20% Housing Set-Aside
Funds and Federal HOME Funds.



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Purpose of Low-Mod Income Housing Fund

Due Diligence Review

Pursuant to AB1484, codified as Chapter 34179.5 of the Health & Safety Code, a Due Diligence Review is required to determine the amount of unobligated balances of the Low and Moderate Income Housing Fund with the Successor Agency that is available for transfer to the County Auditor-Controller for distribution to eligible taxing entities.



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Purpose of Low-Mod Income Housing Fund Due Diligence Review (cont'd)

The Successor Agency contracted with the firm of Macias, Gini, and O'Connell, LLP to conduct the Review in accordance with the procedures developed by the California Society of CPA's, with input from the State Controller's Office and the Department of Finance.



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Summary of Balances Available for Allocation to Affected Taxing Entities – Exhibit H

Amount of unobligated Low and Mod Housing
Fund assets with the Successor Agency as of
1/31/2012 – (Exhibit A)

\$37,393,435

Less non cash or cash equivalent assets with the
Successor Agency as of 9/30/2012 - (Exhibit G)

\$ 6,452,463

Amount of unobligated Low-Mod assets with
the Successor Agency to be remitted to the
County Auditor-Controller for disbursement to
taxing entities

\$30,940,972



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Housing Due Diligence Review Exhibits

- 1) Transfers of Low and Mod Housing assets and cash and cash equivalents to the Successor Agency for the period of January 1, 2011 through January 31, 2012 - Exhibit A
- 2) Transfers of Low and Mod Housing assets and cash and cash equivalents to the Successor Agency for the period of February 1, through September 30, 2012 – Exhibit B
- 3) Transfers of Low and Mod Housing Fund assets to any public agencies or private parties for the period from January 1, 2011 through January 31, 2012 – Exhibit C



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Housing Due Diligence Review Exhibits (cont'd)

- 4) Transfer of cash or cash equivalents from the Low and Mod Housing Fund assets to any public agencies or private parties for the period from February 1, through September 30, 2012 – Exhibit D
- 5) Low and Mod Housing Fund assets with the Successor Agency as of August 31, 2012 - Exhibit E
- 6) Low and Mod Housing Fund restricted assets with Successor Agency as of August 31, 2012 – Exhibit F
- 7) Low and Mod Housing Fund assets other than cash held by the Successor Agency as of August 31, 2012 – Exhibit G



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Housing Due Diligence Review Exhibits (cont'd)

- 4) Summary of Low and Mod Housing Fund balances with the Successor Agency that are available for distribution to taxing entities as of August 31, 2012– Exhibit H



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Housing Due Diligence Review (DDR)

Next Steps

- 1) Oversight Board review and approval of DDR results is scheduled for Wednesday, October 10th.
- 2) Approved DDR results to be transmitted to the Department of Finance, and the County Auditor-Controller no later than October 15th.
- 3) The Department of Finance must complete its review of the approved DDR no later than November 9th.
- 4) The Successor Agency may request to meet and confer with the Department of Finance to resolve any disputes regarding the amounts or sources of funds identified as determined by the Department of Finance



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Housing DDR Next Steps (cont'd)

- 5) A meet and confer request must be made within 5 business days of receipt of notification from the Department of Finance and no later than November 16th.
- 6) The Department of Finance shall either confirm or modify its determinations and decisions within 30 days of the request to meet and confer.
- 7) The Successor Agency must transmit to the County Auditor-Controller the amounts of funds required pursuant to the determination of the Department of Finance within 5 working days of receipt of the determination.



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Successor Housing Agency Enforceable Obligation Funding

Remittance of the unobligated Low-Mod Housing Funds to the County Auditor-Controller will not affect the Successor Housing Agency's ability to fund approved Housing Enforceable Obligations. Funds to cover these obligations have been retained in the Low and Moderate Income Housing Asset Fund.