



Building A Better Long Beach

August 24, 2009

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Approve the amended Redevelopment Agency Budget for Fiscal Year 2010 and forward it to the City Council for approval as part of the City of Long Beach budget adoption process. (All Project Areas – Citywide)

DISCUSSION

On May 18, 2009, the City of Long Beach Redevelopment Agency (Agency) approved the Fiscal Year 2010 (FY10) budget. As a result of the July 24, 2009 decision by the California State Legislature to take \$2.05 billion from the state's redevelopment agencies, the impact to Long Beach is estimated at \$29,487,696. The legislation allows Redevelopment Agencies to borrow from Housing Set-aside funds to meet the SERAF allocation. Staff proposes to meet the obligation by a combination of borrowing 100% of FY10 Housing Set-aside (\$19,355,480) and reducing the non-housing budget by \$10,644,514.

This approach was presented to the Long Beach Housing Development Company (LBHDC) on August 5, 2009. Understanding the difficult situation in meeting a \$30 million SERAF obligation, the LBHDC unanimously supported the proposed approach. The Housing Set-aside loan will be repaid within five years.

As a result of the SERAF reduction, a specific budget summary is provided as Exhibit A. Exhibit B lists the reductions to projects and programs.

SUGGESTED ACTION:

Adopt recommendation.

Respectfully submitted,

CRAIG BECK
EXECUTIVE DIRECTOR

CB:AJB:LAF:SP

Attachments: Exhibit A – FY10 Proposed Budget (Amended)
Exhibit B – FY10 Project Impacts Resulting from SERAF Shift

**Exhibit A
Fiscal Year 2009-2010 Proposed Budget (Amended)**

	Central	Downtown	Los Altos	North	Poly High	West Beach	WLBI	Total Project Areas	Project Income	Total Funds
Beginning Fund Balance	\$3,337,247	\$6,483,655	\$223,197	\$20,847,291	\$127,867	\$595,948	\$9,198,831	\$40,814,036	\$4,525,542	\$45,339,578
Gross Tax Increment	20,147,301	20,663,208	721,988	42,193,285	840,464	1,817,000	10,394,182	96,777,428	0	96,777,428
Housing Set-Aside	(4,029,460)	(4,132,642)	(144,398)	(8,438,657)	(168,093)	(363,400)	(2,078,836)	(19,355,486)	0	(19,355,486)
Hsg Set-Aside SERAF	4,029,460	4,132,642	144,398	8,438,657	168,093	363,400	2,078,836	19,355,486	0	19,355,486
North Trsrfr to Central	2,300,000	0	0	(2,300,000)	0	0	0	0	0	0
Tax Sharing	(4,029,460)	0	0	(8,731,430)	(52,000)	(147,000)	(790,536)	(13,750,426)	0	(13,750,426)
County Admin Fee	(311,374)	(290,629)	(9,983)	(659,683)	(12,427)	(27,206)	(176,700)	(1,488,003)	0	(1,488,003)
Net Tax Increment	18,106,467	20,372,579	712,005	30,502,172	776,037	1,642,794	9,426,945	81,539,000	0	82,183,514
Program Revenues	364,051	8,565,384	631,269	1,173,874	10,000	75,000	1,169,701	11,989,279	71,751	12,061,030
Restricted Revenues	0	1,250,000	0	0	0	0	0	1,250,000	3,820,000	5,070,000
Total Revenues	18,470,518	30,187,963	1,343,274	31,676,045	786,037	1,717,794	10,596,646	94,778,279	3,891,751	79,314,544
Expenditures										
SERAF	7,229,460	8,382,642	144,398	10,638,657	168,093	363,400	3,078,836	30,005,486		30,005,486
Financing Costs	3,776,200	7,978,243	1,048,038	7,015,393	228,806	842,776	3,676,164	24,565,621	3,820,000	28,385,621
Neighborhood Revitalization	447,000	4,293,000	0	1,325,000	0	0	817,500	6,882,500	3,000,000	9,882,500
Corridor Revitalization	1,085,000	0	0	11,887,000	25,000	0	517,500	13,514,500	0	13,514,500
Open Space/Public Art	142,000	3,157,000	0	3,342,000	50,000	0	142,000	6,833,000	0	6,833,000
Public Improvements	2,500,000	3,772,460	0	11,700,000	0	350,000	8,360,000	26,682,460	0	26,682,460
Housing	0	0	0	150,000	0	0	0	150,000	0	150,000
Administration	4,172,041	1,773,958	133,842	2,533,618	220,582	139,541	1,611,732	10,585,314	30,740	10,616,054
Total Expenditures	19,351,702	29,357,303	1,326,278	48,591,669	692,482	1,695,716	18,203,732	119,218,881	6,850,740	126,069,621
Ending Fund Balance	2,456,063	7,314,315	240,193	3,931,668	221,422	618,026	1,591,746	16,373,433	1,566,553	(1,415,499)
Voluntary Reserve Amount Above/Below	(3,635,685)	(7,343,000)	(405,183)	(6,794,462)	(221,806)	(833,717)	(3,089,693)	(22,323,547)	NA	NA
	(1,179,622)	6,732	(164,989)	(2,862,794)	(384)	(215,691)	(1,497,947)	(5,950,113)	NA	NA

Exhibit B
FY10 Project Impacts Resulting from SERAF Shift

CRA Estimated LBRDA SERAF: \$29,487,696*

Proposed Cuts	RDA Reduction
<u>Downtown</u>	
Albert Trust Acquisition	3,000,000
Americal Hotel Renovation	1,250,000
<u>Central</u>	
Atlantic/Willow Acquisition	
Yoshinoya Eminent Domain	3,200,000
<u>North</u>	
Miscellaneous Acquisitions	500,000
Bixby Knolls Parking	700,000
South Waterfront	1,000,000
<u>WLBI</u>	
PCH & Hayes	500,000
Housing Acquisition	500,000
RDA Total	10,650,000
LBHDC (estimated)	19,355,486
Total Allocation for SERAF	\$30,005,486

*Actual SERAF shift is likely to vary. Final amount will be provided by the State Controller's Office no later than November 15, 2009.