



Building A Better Long Beach

October 4, 2010

REDEVELOPMENT AGENCY BOARD MEMBERS
City of Long Beach
California

RECOMMENDATION:

Authorize the Executive Director to repay \$1,000,000 of the Downtown Redevelopment Project Area debt owed to the City of Long Beach. (Downtown – Districts 1,2)

DISCUSSION

Between FY04 and FY10, the City of Long Beach (City) adopted \$118 million in expenditure reductions and \$45 million in revenue enhancements to bring the General Fund into structural balance without dipping into its emergency reserves. However, like all California cities, Long Beach continues to suffer from the downturn in the economy. Revenues are down and expenses are rising, a combination that has resulted in an \$18.5 million deficit for FY11.

Although the City Council approved a budget that eliminated this deficit on September 14, 2010, uncertainties remain regarding expected revenues. In order to provide a cushion for the General Fund, Mayor Bob Foster has requested an additional \$2.7 million in cuts. In addition, he has requested that the Redevelopment Agency provide assistance to the General Fund in the amount of \$1,000,000. The means available to transfer redevelopment funds to the General Fund is a debt repayment. The proposed transfer will be made from the Downtown Redevelopment Project Area, which has the highest level of outstanding City advances.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


AMY J. BODEK
EXECUTIVE DIRECTOR

AJB:LAF:AEA