

CITY OF LONG BEACH

C-3

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 3rd Floor, Long Beach, CA 90802 (562) 570-5237

May 8, 2018

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution electing to receive statutory pass-through payments for the former North Long Beach, Central Long Beach, Poly High, West Beach, and West Long Beach Industrial redevelopment project areas. (Citywide)

DISCUSSION

In a letter dated, April 2, 2018, the County of Los Angeles Department of the Auditor-Controller requested that the City of Long Beach (City) provide documentation of the City's election to receive its share of the statutory pass-through payments from its former redevelopment project areas.

Statutory pass-through payments went into effect with the adoption of Assembly Bill 1290 (AB 1290) in 1993. AB 1290 required former redevelopment agencies to annually allocate 25 percent of net property tax increment revenues to the affected taxing agencies. This provision applies to project areas adopted or amended to add territory after 1993 or to project areas that eliminated the redevelopment plan's time limit to incur debt (pursuant to Senate Bill 211 chaptered in 2001). The former redevelopment project areas subject to these payments are the North Long Beach and Central Long Beach redevelopment project areas, which were established after 1992, and the Poly High, West Beach and West Long Beach Industrial redevelopment project areas, which were amended in 2003.

Prior to redevelopment dissolution in 2012, the City's former Redevelopment Agency calculated and distributed pass-through payments to the affected tax agencies. As such, no official action was taken by the City to elect to receive a statutory pass-through payments. With the dissolution of redevelopment, Section 34183 of the California Health and Safety Code made county auditor-controllers responsible for calculating and remitting pass-through payments to the affected taxing agencies. The Los Angeles County Auditor-Controller is now requiring documentation of the City's formal election to receive its share (approximately 21 percent) of the statutory pass-through payments.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on April 10, 2018 and by Budget Analysis Officer Julissa Jose-Murray on April 11, 2018.

TIMING CONSIDERATIONS

City Council action is requested on May 8, 2018. The County of Los Angeles, Department of the Auditor-Controller, has requested a response by May 15, 2018.

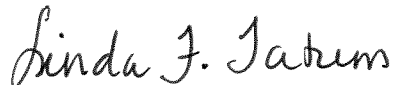
FISCAL IMPACT

If the City Council does not elect to receive its share of the statutory pass-through payments, the General Fund could lose in excess of \$3 million annually. The amount of the pass-through payments varies based on the assessed value. For Fiscal Years 2015-16 and 2016-17, the annual pass-through payments to the City amount to \$4,444,721 and \$3,296,451, respectively.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LINDA F. TATUM, FAICP
DIRECTOR OF DEVELOPMENT SERVICES

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APPROVED:



PATRICK H. WEST
CITY MANAGER

Attachment: Resolution

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

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH, CALIFORNIA, MAKING AN ELECTION TO RECEIVE PAYMENTS PURSUANT TO HEALTH AND SAFETY CODE SECTION 33607.5 (b) FOR THE FORMER NORTH LONG BEACH, CENTRAL LONG BEACH, POLY HIGH, WEST BEACH, AND WEST LONG BEACH INDUSTRIAL REDEVELOPMENT PROJECT AREAS

WHEREAS, the Redevelopment Agency of the City of Long Beach, California ("Agency") established the former North Long Beach Project Area after January 1, 1994, and amended the redevelopment plans (collectively, the "Redevelopment Plans") for the former Central Long Beach, Poly High, West Beach and West Long Beach Industrial Redevelopment Project Areas after January 1, 1994 to extend the limitation of the respective Redevelopment Plans; and

WHEREAS, Section 33333.6 (e)(2) of the Health and Safety Code provides that if an Agency amends the limitation of a redevelopment plan then the Agency shall make the payment to affected taxing entities required by Section 33607.7 of the Health and Safety Code; and

WHEREAS, Section 33607.7 of the Health and Safety Code provides that if the Agency amends the redevelopment plan to extend the limitation and no pass-through agreement exists, the amounts required pursuant to subdivisions (b), (c) (d) and (e) of Section 33607.5 of the Health and Safety Code must be paid to each affected taxing entity, including the City, if the City elects to receive such tax increments; and

WHEREAS, the City of Long Beach, California is an affected taxing entity under Section 33607.5 of the Health and Safety Code;

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
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NOW THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. Pursuant to Health and Safety Code Sections 33333.6 (e)(2) and 33607.5, the City Council hereby elects to receive its share of the twenty-five percent (25%) tax increment pass-through payments authorized by Health and Safety Code Section 33607.5(b) commencing with the first fiscal year the Agency was required to make such payments to the affected taxing entities and continuing each year thereafter.

Section 2. This resolution shall take effect immediately upon its adoption by the City Council and apply retroactively, and the City Clerk shall certify to the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2018, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk