

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the
City of Long Beach, California)**

Annual Financial Report

For the Fiscal Year Ended September 30, 2009

CITY OF LONG BEACH, CALIFORNIA

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
September 30, 2009

TABLE OF CONTENTS

	<u>Page</u>
MEMBERS OF THE REDEVELOPMENT AGENCY BOARD AND MANAGEMENT	1
INDEPENDENT AUDITORS' REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
COMBINED FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Combined Statement of Net Assets	13
Combined Statement of Activities	14
Fund Financial Statements:	
Combined Balance Sheet – Governmental Funds	15
Reconciliation of Combined Balance Sheet of Governmental Fund Balance to the Combined Statement of Net Assets (Deficit)	16
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	17
Reconciliation of Combined Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Combined Statement of Activities	18
Notes to Combined Financial Statements:	
Note 1 – Description of Entity, Funds, and Summary of Significant Accounting Policies	19
Note 2 – Cash and Investments	25
Note 3 – Reconciliation of Government-wide and Fund Financial Statements	33
Note 4 – Receivables	34
Note 5 – Capital Assets	35
Note 6 – Due to/from and Advances from/to the City of Long Beach	36
Note 7 – Long-Term Obligations	38
Note 8 – Bonds Payable	40
Note 9 – Notes and Interest Payable	41
Note 10 – Other Assets	42
Note 11 – Low- and Moderate-Income Housing Set-Aside	42
Note 12 – Transfers from/to the City of Long Beach	44
Note 13 – Land Held for Resale	46
Note 14 – Eliminations and Reclassifications of Interproject Loans	46
Note 15 – Long-Term Receivables, Reserved Fund Balance, and Deferred Revenue	48
Note 16 – Other Reserved Fund Balances	48
Note 17 – Commitments and Contingencies	48

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
September 30, 2009

TABLE OF CONTENTS (continued)

SUPPLEMENTARY FINANCIAL INFORMATION

Combining Balance Sheet – Governmental Funds:	
Capital Project Funds by Project Area	52
Debt Service Funds by Project Area.....	54
Low- and Moderate-Income Housing Fund by Project Area	56
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit):	
Capital Project Funds by Project Area	58
Debt Service Funds by Project Area.....	60
Low- and Moderate-Income Housing Funds by Project Area.....	62
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Budget and Actual (Non-GAAP Budgetary Basis):	
Capital Projects Fund	64
Debt Service Fund	65
Low- and Moderate-Income Housing Fund	66
Schedules of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income:	
Downtown Project Area	67
West Beach Project Area	68
West Long Beach Industrial Project Area.....	69
Poly High Project Area	70
Project Income Fund	71
Los Altos Project Area	72
Central Long Beach Project Area	73
North Long Beach Project Area	74
Housing Fund.....	75
Supplementary Note: Reconciliation of Actual Revenues and Expenditures to the Non-GAAP Budgetary Basis	76
Schedule of Changes in Long-Term Debt	78
AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL ACCOUNTING STANDARDS.....	79
GENERAL INFORMATION	
Accomplishments and Goals by Redevelopment Project Area (Not covered by Auditors' Report):	
Downtown Project	81
West Beach Project	87
West Long Beach Industrial Project	89
Poly High Redevelopment Project	94
Los Altos Project	96
Central Long Beach Redevelopment Project	98
North Long Beach Redevelopment Project	106

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
September 30, 2009

Members of the Redevelopment Agency Board

	<u>Term Expires</u>
William E. Baker, Chair	June 2011
Diane L. Arnold, Vice Chair	June 2011
John L. Cross	June 2011
Teer L. Stricklan	June 2012
John W. Thomas	June 2011
Vivian M. Tobias	June 2009*
“Vacant position”	

Management

Craig Beck, Executive Director

Amy J. Bodek, Assistant Executive Director

* Term extended

Intentionally Left Blank



KPMG LLP
Suite 700
20 Pacifica
Irvine, CA 92618-3391

Independent Auditors' Report

The Honorable Mayor and City Council
City of Long Beach, California

The Honorable Members of the Redevelopment Agency Board
City of Long Beach, California:

We have audited the accompanying combined financial statements of the governmental activities and each major fund of the Redevelopment Agency of the City of Long Beach (the Agency), a component financial reporting unit of the City of Long Beach, California (the City), and of the City of Long Beach Low- and Moderate-Income Housing Fund as of and for the year ended September 30, 2009, which collectively comprise the Agency's combined financial statements as listed in the table of contents. These combined financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed more fully in note 1 to the combined financial statements, the Agency has prepared these combined financial statements using accounting practices required by the State of California Health and Safety Code Section 33080.1, which practices differ from U.S. generally accepted accounting principles. The funds included in the Low- and Moderate-Income Housing Fund columns presented in these combined financial statements are not maintained by the Agency and, accordingly, are not includable in financial statements prepared in accordance with U.S. generally accepted accounting principles. However, State of California Health and Safety Code Section 33080.1 requires the Agency to prepare the combined financial statements that include these funds. The effect on these combined financial statements of the inclusion of these funds is apparent in the columns labeled Low- and Moderate-Income Housing Fund.

In our opinion, because of the effects of including the Low- and Moderate-Income Housing Fund as a separate column in the Agency's combined financial statements, the combined financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the Agency as of September 30, 2009, or the changes in the Agency's financial position for the year then ended.

However, in our opinion, the combined financial statements referred to above do present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency and the Low- and Moderate-Income Housing Fund as of September 30, 2009, and the respective changes in financial position for the year then ended, on the basis of accounting described in note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2010 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope and our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 5 through 12 is not a required part of the combined financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation or the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purposes of forming opinions on the combined financial statements that collectively comprise the combined financial statements of the Redevelopment Agency of the City of Long Beach and the Low- and Moderate-Income Housing Fund. The accompanying information identified in the table of contents as supplementary financial information and general information is presented for the purposes of additional analysis and is not a required part of the combined financial statements. The accompanying statements and schedules included in the supplementary financial information section have been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, except for the effects of including the Low- and Moderate-Income Housing Fund as a separate column in the Agency's combined financial statements, such information is fairly stated in all material respects, in relation to the combined financial statements taken as a whole. The accompanying information in the general information section has not been subjected to the auditing procedures applied in the audit of the combined financial statements, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City of Long Beach's Mayor and City Council, the Members of the Redevelopment Agency Board, managements of the City and the Agency, the State of California's State Controller's Office, the Department of Housing and Community Development, the County of Los Angeles and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

April 19, 2010

Management's Discussion and Analysis

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Management's Discussion and Analysis
September 30, 2009**

The information presented in the "Management's Discussion and Analysis" (MD&A) is intended to be a narrative overview and analysis of the Redevelopment Agency of the City of Long Beach's (Agency) financial activities for the fiscal year ended September 30, 2009. We encourage readers to consider this information in conjunction with the accompanying combined financial statements. The MD&A includes only the activity of the Agency and excludes the Low- and Moderate-Income Housing Fund.

Financial Highlights

Government-wide

- The liabilities of the Agency exceeded its assets at September 30, 2009, by \$140,251,000. Of this amount, \$4,054,000 is invested in capital assets net of related debt and net assets totaling \$101,537,000 are restricted for specific purposes. The Agency's accumulated net deficit of \$140,251,000 resulted mainly from long-term debt due to the City of Long Beach and bonds payable, both intended to be relieved from future tax increment revenues, as well as any other available revenue sources.
- The Agency's total net deficit decreased by \$22,277,000. This is the result of total revenues of \$102,351,000 exceeding total expenses of \$80,074,000. The increase in revenues was primarily due to the increase in tax increment revenue of the Downtown, West Long Beach Industrial, Poly High, Los Altos, Central Long Beach, and North Long Beach Project Areas, and the revenue recognition for the forgiven portion of the advance from Harbor, minus the decrease in interest income. The \$2,328,000 in other expenses includes net operating transfers to the City of Long Beach of \$4,256,000 and land transfers of \$1,502,000, minus transfers from Low- and Moderate-Income Housing Fund of \$3,430,000.
- The Agency's current and other assets increased by \$109,324,000 during the current fiscal year. The net increases are primarily due to taxes receivable of \$92,186,000, which was recorded beginning the current fiscal year, and the increase in pooled cash and investments of \$16,801,000.
- The Agency's current and other liabilities increased by \$94,428,000 during the current fiscal year. The increases are mainly due to an increase in deferred revenue related to the year-end accrual of tax increment receivable along with higher outstanding balances of accounts and vouchers payable.

Fund basis

- As of September 30, 2009, the Agency's governmental funds reported an ending fund balance of \$337,221,000, a \$15,403,000 increase from the prior fiscal year's fund balance of \$321,818,000. This is mainly due to the decrease in net transfers to the City of Long Beach of \$7,779,000, a decrease in proceeds from long-term debt of \$6,623,000, and an increase in tax increment revenues of \$15,302,000.

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Management's Discussion and Analysis
September 30, 2009**

Overview of the Combined Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's combined financial statements. The Agency's combined financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to combined financial statements. This report also contains other supplementary information in addition to the combined financial statements.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private sector business.

The *combined statement of net assets* presents information on all of the Agency's assets and liabilities, with the difference reported as *net assets (deficit)*. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The *combined statement of activities* presents information showing how the Agency's net assets changed during the current fiscal year. Changes in net assets are reported as soon as the underlying event giving rise to change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this combined statement for some items that will only result in cash flows for future fiscal periods. This combined statement shows the extent to which the various functions depend on general taxes and non-program revenues for support.

Governmental activities of the Agency include housing, community and economic development, public improvements, and debt service. The activities of the Agency are carried out in seven project areas.

The State of California Health and Safety Code Section 33080.1 requires every redevelopment agency to submit an annual audit of the financial statements of the agency, which presents the results of the operations and financial position of the agency, including all financial activities with moneys required to be held in a separate Low- and Moderate-Income Housing Fund pursuant to Section 33334.3. As such, the Agency has included in the accompanying combined financial statements the Low- and Moderate-Income Housing Fund, which is recorded with the City of Long Beach and the Long Beach Housing Development Company pursuant to Agreement No. 20130. The State of California Health and Safety code Section 33334.2 requires the 20 percent set-aside to be used to increase, improve, and preserve the supply of low- and moderate-income housing within the Agency's territorial jurisdiction.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other units of state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency are classified as governmental funds.

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Management's Discussion and Analysis
September 30, 2009**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term *inflows* and *outflows* of *spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the Agency's financial resources that are available in the near future to finance various activities.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund combined statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Agency maintains two individual governmental funds: capital projects and debt service. Information for these two funds is presented separately in the governmental fund balance sheet and in the governmental fund combined statement of revenues, expenditures, and changes in fund balance.

The Agency adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for governmental funds as supplementary information to demonstrate compliance with this budget.

Notes to Combined Financial Statements

The notes provide narrative information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the combined financial statements and accompanying notes, this report also includes other supplementary information relating to the Agency's fund financial statements and budgetary comparison to actual expenditures for each of the redevelopment project areas. A schedule of changes in long-term debt has been included in this report.

Government-wide Financial Analysis

The Agency presents its combined financial statements in accordance with Governmental Accounting Standards Board (GASB) guidance. The focus of the analysis is on the current fiscal year's net assets and changes in net assets.

Analysis of Net Assets

Net assets may serve, over time, as a useful indicator of a government's financial position. At September 30, 2009, the Agency's liabilities exceeded its assets by \$140,251,000. Of this amount, \$4,054,000 is invested in capital assets, net of related debt

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Management's Discussion and Analysis
September 30, 2009

and \$101,537,000 represents restricted net assets for capital projects, debt service, and other non-current receivables. The Agency's deficit is intended to be relieved using future Agency revenues. The Agency's deficit resulted from the issuance of long-term debt. This is primarily due to the nature of redevelopment financing, whereby the Agency issues bonds or incurs long-term debt to finance a substantial portion of its redevelopment activities. This activity includes land acquisition, housing, public parking, commercial and retail projects, community development, and other activities. In some cases, assets may be transferred to the City of Long Beach (the City); however, the debt remains with the Agency. The Agency also provides "gap" financing in other types of redevelopment activities; any equity assumed in these projects is usually significantly less than the underlying expenditures. Redevelopment activities are designed to alleviate urban blight. Redevelopment activities often improve property values and, as a result, generate additional tax increment to service the Agency's debt and finance additional projects.

The Agency's current and other liabilities increased by \$94,428,000 during the current fiscal year. The increases are mainly due to an increase in deferred revenue related to the year-end accrual of tax increment receivable along with the higher outstanding balances of accounts and vouchers payable. The Agency's current and other assets also increased, by \$109,324,000. The net increases are primarily due to taxes receivable of \$92,186,000, which was recorded beginning the current fiscal year, and the increase in pooled cash and investments of \$16,801,000.

The following table summarizes the Agency's net assets (deficit) as of September 30, 2009, with comparative figures for 2008 (in thousands):

	Governmental Activities			
	2009	2008	Change	
			Amount	Percentage
ASSETS				
Current and other assets	\$ 437,896	\$ 328,572	\$ 109,324	33.27
Capital assets	14,581	14,629	(48)	(0.33)
Total assets	<u>452,477</u>	<u>343,201</u>	<u>109,276</u>	<u>31.84</u>
LIABILITIES				
Current and other liabilities	113,268	18,840	94,428	501.21
Non-current liabilities	479,460	486,889	(7,429)	(1.53)
Total liabilities	<u>592,728</u>	<u>505,729</u>	<u>86,999</u>	<u>17.20</u>
NET ASSETS				
Invested in capital assets	4,054	2,383	1,671	70.12
Restricted net assets	101,537	103,988	(2,451)	(2.36)
Unrestricted deficit	(245,842)	(268,899)	23,057	(8.57)
Total deficit	<u>\$ (140,251)</u>	<u>\$ (162,528)</u>	<u>\$ 22,277</u>	<u>(13.71)</u>

Analysis of Changes in Net Assets

During fiscal year 2009, the governmental activities deficit decreased by \$22,277,000 from \$162,528,000 to \$140,251,000. Key elements of the governmental activities are as follows:

Incremental property tax revenues are the Agency's major source of funding for redevelopment activities. For the year ended September 30, 2009, the Agency recognized

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Management's Discussion and Analysis
September 30, 2009

\$92,762,000 in tax increment revenues. This represents 90.63 percent of the total revenues of \$102,351,000. The increase in current year total revenues of \$10,572,000 or 11.52 percent is due to increases in tax increment revenues of \$15,302,000 offset by a decrease in unrestricted investment earnings of \$5,056,000. The tax increment revenue increase of \$15,302,000 is primarily due to the sale and improvements of properties within the project areas.

Community and cultural expenses totaled \$56,979,000 or 71.16 percent of total governmental activity expenses of \$80,074,000. The \$2,728,000, or 4.57 percent, decrease in community and cultural expenses is mainly due to the decrease in operation of acquired property, relocation payments, project improvement/construction, administrative, acquisition costs, loss on sale of land held for resale, and rehabilitation grants and loans, minus the increase in pass-through charges. The \$2,328,000 in other expenses includes net operating transfers to the City of Long Beach of \$4,256,000 and land transfers of \$1,502,000, less transfer from Low- and Moderate-Income Housing Fund of \$3,430,000.

Other expenses also decreased in the current fiscal year. The \$19,982,000, or 89.57 percent, decrease is mainly due to the decreases in land transfers of \$11,044,000 and net transfers to the City of \$7,779,000.

Changes in Net Assets
Years Ended September 30
(In Thousands)

	Governmental Activities		Change	
	2009	2008	Amount	Percentage
REVENUES				
Program revenues:				
Operating grants and contributions	\$ 757	\$ 409	\$ 348	85.09
Charges for services	2,833	2,286	547	23.93
General revenues:				
Incremental property taxes	92,762	77,460	15,302	19.75
Interest income	2,504	7,560	(5,056)	(66.88)
Other	3,495	4,064	(569)	(14.00)
Total revenues	<u>102,351</u>	<u>91,779</u>	<u>10,572</u>	<u>11.52</u>
EXPENSES				
Program expenses:				
General government	368	370	(2)	(0.54)
Community and cultural	56,979	59,707	(2,728)	(4.57)
Interest in long-term debt	20,399	21,770	(1,371)	(6.30)
Other	2,328	22,310	(19,982)	(89.57)
Total expenses	<u>80,074</u>	<u>104,157</u>	<u>(24,083)</u>	<u>(23.12)</u>
Change in net asset	22,277	(12,378)	34,655	(279.97)
Deficit, October 1	(162,528)	(150,150)	(12,378)	8.24
Deficit, September 30	<u>\$ (140,251)</u>	<u>\$ (162,528)</u>	<u>\$ 22,277</u>	<u>(13.71)</u>

Community and cultural expenses shown on the combined statement of activities relate to activities intended to relieve urban blight and payments to other government entities. These expenses include costs for the acquisition and development of sites for needed public improvements such as libraries, parks, and street improvements. Other activities to

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Management's Discussion and Analysis
September 30, 2009**

remove blight include the assembly of sites for the private development of housing and commercial and retail facilities. The Agency is also required by Community Redevelopment Law to provide statutory pass-through payments to other government entities.

Financial Analysis of the Agency's Governmental Funds

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, the fund balance serves as a useful measure of the Agency's net resource available for spending at the end of the fiscal year.

At September 30, 2009, the Agency's governmental funds reported a combined accumulated ending fund balance of \$337,221,000, an increase of \$15,403,000 from the prior fiscal year total of \$321,818,000. This amount consists of fund balance reserved for debt service, land held for resale, long-term receivables, and encumbrances; and fund balance designated for future projects. The portion of the fund balance that is available for spending has been appropriated in fiscal year 2010.

Capital Projects Fund – The Capital Projects Fund is used to account for redevelopment expenditures from tax increment, bond proceeds, federal grants and project area program income. The Capital Projects Fund is the Agency's principal fund. The accumulated fund balance at September 30, 2009 is \$204,028,000. The Capital Projects Fund fund balance of \$187,710,000 at September 30, 2008 increased by \$16,318,000 due to property tax increment revenues transferred to this fund from the Agency's Debt Service Fund and proceeds from long-term debt of \$1,616,000. The latter includes \$311,000 Los Altos Project Area tax increment revenue allocation to the Los Angeles County and \$1,305,000 of the City's Open Space Bonds Series 2006B proceeds advanced to the Agency for acquisition and design costs associated with the development of the open spaces such as Pacific Electric Right-of-Way, Craftsman Park, Drake Park, and Seaside Park.

Debt Service Fund – The Debt Service Fund is used to accumulate resources to pay principal and interest and other costs related to the Agency's long-term debt. At September 30, 2009, the Debt Service Fund had a total fund balance of \$133,193,000, of which \$75,976,000 was reserved for debt service, \$32,729,000 for redevelopment projects, and \$24,488,000 for long-term receivables. The net decrease in fund balance over the prior year of \$915,000 is primarily due to interfund transfers made to the Capital Projects Fund for redevelopment projects and the City.

Governmental Fund Budgetary Highlights

A comparison between the initial budget and the final amended budget for the Agency's governmental funds shows a net increase in expenditures from \$176,531,000 to \$180,425,000 or \$3,894,000. The increase is mainly due to anticipated expenditures for land purchases and pass-through charges.

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Management's Discussion and Analysis
September 30, 2009**

The Agency's governmental funds had a net fund balance variance of \$180,764,000. The entire amount is committed to be spent in various project areas in the next fiscal year. The budget variances by project area are summarized under the Supplementary Financial Information sections of this report.

Capital Assets and Debt Administration

Capital Assets

The Agency's investments in capital assets for its governmental activities as of September 30, 2009 comprise of \$13,802,000 for land and \$779,000 for building, machinery and equipment, net of accumulated depreciation. Additional information on the Agency's capital assets can be found in note 5 to the combined financial statements.

Capital Assets, Net of Depreciation
Years Ended September 30

	2009	2008
Land	\$ 13,802	\$ 13,802
Buildings	419	451
Machinery and Equipment	360	376
Total Net Capital Assets	<u>\$ 14,581</u>	<u>\$ 14,629</u>

Long-Term Liabilities

At September 30, 2009, the Agency's long-term liabilities totaled \$488,590,000. This amount includes the current portion of bond indebtedness and is net of unamortized bond discount and loss on defeasance. This is summarized as follows in the table below (in thousands).

Agency's Long-Term Debt
Years Ended September 30

	2009	2008
Tax allocation bonds	\$ 323,092	\$ 331,789
Notes payable	3,284	2,875
Advances from the City of Long Beach	144,893	143,604
Advances from Low- and Moderate-Income Housing Fund	17,321	17,293
Total	<u>\$ 488,590</u>	<u>\$ 495,561</u>

The Agency's total bonded indebtedness at September 30, 2009 was \$323,092,000. The bonds are secured solely by property tax increment. During year ended September 30, 2009, Agency bonds were rated in a range BBB to A-. In the year ended September 30, 2008, Agency bonds were rated in a range BBB to AA.

Additional information on the long-term liabilities can be found in Notes 7, 8, and 9 of the combined financial statements.

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Management's Discussion and Analysis
September 30, 2009**

The time limits for the project areas as of September 30, 2009 are summarized in the following table:

<u>Project Area</u>	<u>Date Adopted</u>	<u>Time Limit for Incurring Indebtedness</u>	<u>Termination Date</u>	<u>Time Limit for Repayment of Indebtedness</u>
Central Long Beach	03/06/2001	03/06/2021	03/06/2032	03/06/2047
Downtown	06/17/1975	01/01/2004	06/17/2017	06/17/2027
Los Altos	12/10/1991	12/10/2011	12/10/2032	12/10/2042
Poly High	04/03/1973	None	04/03/2016	04/03/2026
West Beach	07/21/1964	None	01/01/2012	01/02/2022
West Long Beach Industrial	07/01/1975	None	07/01/2015	07/01/2025
North Long Beach	07/16/1996	07/16/2016	07/16/2027	07/16/2042

Future Outlook – Economic Factors and Next Year's Budget

- Assessed property values reported by the Los Angeles County Assessor for fiscal year 2010 decreased within five of the Agency's seven project areas. The decreases range from -0.7% to -11.6%. It is anticipated that this trend will continue in fiscal year 2011.
- In 2008, the California State Legislature passed a law requiring redevelopment agencies to make payments to the Educational Revenue Augmentation Fund (ERAF) in fiscal year 2009. The Department of Finance identified the Agency's share of the ERAF take as \$6,070,966. In May 2009, the Sacramento Supreme Court found the proposed ERAF take to be unconstitutional. In September 2009, the California Attorney General's office dropped its appeal of the May 2009 finding, ensuring that the Agency would not be obligated to pay nearly \$6.1 million to ERAF.
- Despite the unconstitutionality of the 2008 ERAF payment, the State legislature has once again attempted to make redevelopment agencies contribute to ERAF. Legislation passed in July 2009 requires the Agency to pay \$29,516,137 to the Supplemental Educational Revenue Augmentation Fund (SERAF) by May 10, 2010. Like the ERAF take, the constitutionality of the SERAF payment has been challenged. If the lawsuit fails, the Agency will be required to pay SERAF and, unless a subsequent legal challenge succeeds, the Agency will be responsible for another legislatively mandated SERAF payment in FY11 of approximately \$6.1 million.

All of the above economic factors were considered in preparing the Agency's budget for fiscal year 2010.

Request for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

City of Long Beach
Department of Financial Management
333 W. Ocean Boulevard, 6th Floor
Long Beach, California 90802

COMBINED FINANCIAL STATEMENTS

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combined Statement of Net Assets
September 30, 2009
(In Thousands)

	Governmental Activities		
	<u>Governmental Activities</u>	<u>Low- and Moderate-Income Housing Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Pooled cash and investments	\$ 64,378	\$ 43,065	\$ 107,443
Non-pooled cash and investments	33,916	-	33,916
Short-term investments (non-performing)	111	84	195
Interest receivable	165	-	165
Taxes receivable	92,186	-	92,186
Accounts and loans receivables	1,077	6	1,083
Due from other governments	594	-	594
Other assets	2,278	1	2,279
Land held for resale	177,364	6,644	184,008
Non-current assets:			
Investments	38,095	-	38,095
Advances to the City of Long Beach	24,488	856	25,344
Advances to Housing Development Company	-	1,440	1,440
Advances to the Redevelopment Agency	-	17,321	17,321
Other non-current receivables	1,586	37,392	38,978
Other assets	1,658	-	1,658
Capital assets:			
Land and other assets not being depreciated	13,802	1,015	14,817
Buildings, improvements, and equipment, net of accumulated depreciation	779	1,008	1,787
Total assets	<u>452,477</u>	<u>108,832</u>	<u>561,309</u>
LIABILITIES			
Current liabilities:			
Accounts and vouchers payable	6,624	2,356	8,980
Accrued wages and other benefits	166	85	251
Accrued claims and judgments	750	-	750
Accrued interest payable	4,815	505	5,320
Due to the City of Long Beach	78	40	118
Deferred revenue, credits, and other payable	91,705	32	91,737
Bonds payable within one year	9,130	-	9,130
Other long-term obligations-current	-	13	13
Non-current liabilities:			
Advances from the City of Long Beach	144,893	-	144,893
Advances from Low- and Moderate-Income Housing Fund	17,321	-	17,321
Bonds payable	313,962	-	313,962
Other long-term obligations	3,284	1,052	4,336
Total liabilities	<u>592,728</u>	<u>4,083</u>	<u>596,811</u>
NET ASSETS (DEFICIT)			
Invested in capital assets, net of related debt	4,054	1,008	5,062
Restricted for:			
Debt service	65,834	-	65,834
Operations and maintenance	-	61	61
Capital/Housing projects	35,703	16	35,719
Unrestricted (deficit)	(245,842)	103,664	(142,178)
Total net assets (deficit)	<u>\$ (140,251)</u>	<u>\$ 104,749</u>	<u>\$ (35,502)</u>

The notes to the combined financial statements are an integral part of this statement.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combined Statement of Activities
Year Ended September 30, 2009
(In Thousands)

Functions/Programs	Governmental Activities						Total
	Expenses	Program Revenues			Net (Expense) and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities Total	Low- and Moderate-Income Housing Fund	
Primary Government:							
General government	\$ 368	\$ -	\$ -	\$ -	\$ (368)	\$ -	\$ (368)
Community and cultural	56,979	2,833	757	-	(53,389)	-	(53,389)
Interest on long-term debt	20,399	-	-	-	(20,399)	-	(20,399)
Total governmental activities	<u>77,746</u>	<u>2,833</u>	<u>757</u>	<u>-</u>	<u>(74,156)</u>	<u>-</u>	<u>(74,156)</u>
Low-and moderate-income housing fund	<u>\$ 5,438</u>	<u>\$ 305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(5,133)</u>	<u>(5,133)</u>
General revenues:							
Taxes:							
Property tax increment				92,762	23,191	115,953	
Other				3,495	-	3,495	
Unrestricted investment earnings				2,504	778	3,282	
Land transfers				(1,502)	(1,003)	(2,505)	
Transfers (to) from the Redevelopment Agency				3,430	(3,430)	-	
Transfers to the City				(6,140)	(90)	(6,230)	
Transfers from the City				1,884	-	1,884	
Total general revenues and transfers				<u>96,433</u>	<u>19,446</u>	<u>115,879</u>	
Change in net assets				22,277	14,313	36,590	
Net assets (deficit)—October 1				(162,528)	90,436	(72,092)	
Net assets (deficit)—September 30				<u>\$ (140,251)</u>	<u>\$ 104,749</u>	<u>\$ (35,502)</u>	

The notes to the combined financial statements are an integral part of this statement.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combined Balance Sheet—Governmental Funds
September 30, 2009
(In Thousands)

	Capital Projects Funds	Debt Service Funds	Sub-Total	Low- and Moderate-Income Housing Fund	Total
ASSETS					
Pooled cash and investments	\$ 28,805	\$ 35,573	\$ 64,378	\$ 43,065	\$ 107,443
Non-pooled cash and cash equivalents	-	33,916	33,916	-	33,916
Short-term investments non-performing	111	-	111	84	195
Interest receivable on investments	-	165	165	-	165
Taxes receivable	-	92,186	92,186	-	92,186
Accounts and loans receivable	610	467	1,077	6	1,083
Receivables from other governments	594	-	594	-	594
Non-pooled investments	-	38,095	38,095	-	38,095
Advances to Housing Development Co.	-	-	-	1,440	1,440
Advances to the City of Long Beach	-	24,488	24,488	856	25,344
Land held for resale	177,364	-	177,364	6,644	184,008
Other assets	3,936	-	3,936	1	3,937
Long-term receivables	1,586	-	1,586	37,392	38,978
TOTAL ASSETS	\$ 213,006	\$ 224,890	\$ 437,896	\$ 89,488	\$ 527,384
LIABILITIES					
Vouchers payable	\$ 5,226	\$ 9	\$ 5,235	\$ 907	\$ 6,142
Accounts payable	391	998	1,389	1,449	2,838
Accrued wages payable	166	-	166	85	251
Accrued claims and judgments	750	-	750	-	750
Collections held in trust	459	-	459	17	476
Deferred revenue	1,908	90,690	92,598	37,407	130,005
Due to other funds	78	-	78	40	118
TOTAL LIABILITIES	8,978	91,697	100,675	39,905	140,580
FUND BALANCE					
Reserved:					
Land held for resale	177,364	-	177,364	6,644	184,008
Future projects	-	32,729	32,729	-	32,729
Encumbrances	4,913	-	4,913	1	4,914
Debt service	-	75,976	75,976	-	75,976
Long-term receivables	1,712	24,488	26,200	2,296	28,496
Other	-	-	-	61	61
Unreserved:					
Designated for future projects	20,039	-	20,039	40,581	60,620
TOTAL FUND BALANCE	204,028	133,193	337,221	49,583	386,804
TOTAL LIABILITIES AND FUND BALANCE	\$ 213,006	\$ 224,890	\$ 437,896	\$ 89,488	\$ 527,384

The notes to the combined financial statements are an integral part of this statement.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Reconciliation of Combined Balance Sheet of Governmental Fund Balance to the
Combined Statement of Net Assets (Deficit)
September 30, 2009
(In Thousands)

	<u>Capital Projects/Debt Service Funds</u>	<u>Low- and Moderate-Income Housing Fund</u>
Amounts reported for governmental activities in the statement of net assets (deficit) are different because:		
Total governmental fund balance	\$ 337,221	\$ 49,583
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds. (note 5)	14,581	2,023
Advances due from/to the primary government is considered to be external activity that is reported only in the government-wide financial statements. (note 6)	(162,214)	17,321
Because the focus of governmental funds is short-term financing, some assets will not be available for current period expenditures. Those assets are offset by deferred revenue in the funds. (note 15)	1,352	37,392
Governmental long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (note 3)	<u>(331,191)</u>	<u>(1,570)</u>
Net assets (deficit) of governmental activities	<u>\$ (140,251)</u>	<u>\$ 104,749</u>

The notes to the combined financial statements are an integral part of this statement.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
Year Ended September 30, 2009
(In Thousands)

	Capital Projects Funds	Debt Service Funds	Sub-Total	Low- and Moderate-Income Housing Fund	Total
REVENUES					
Property tax increment	\$ -	\$ 92,762	\$ 92,762	\$ 23,191	\$ 115,953
Transient occupancy tax	-	3,495	3,495	-	3,495
Interest income	857	1,647	2,504	740	3,244
Rental income	841	-	841	107	948
Gain on sale of land held for resale	-	-	-	25	25
Other income	1,952	362	2,314	247	2,561
TOTAL REVENUES	3,650	98,266	101,916	24,310	126,226
EXPENDITURES					
Administrative costs	8,416	1,739	10,155	2,989	13,144
Professional services	760	14	774	389	1,163
Planning, survey, and design	2,902	-	2,902	-	2,902
Acquisition expense	1,030	-	1,030	1	1,031
Operation of acquired property	1,967	-	1,967	421	2,388
Relocation costs	168	-	168	-	168
Relocation payments	2,218	-	2,218	-	2,218
Site clearance costs	700	-	700	-	700
Project improvement/construction costs	14,043	-	14,043	388	14,431
Disposal costs	807	-	807	4	811
Interdepartmental charges	-	-	-	922	922
Loss on sale of land held for resale	1,391	-	1,391	-	1,391
Rehabilitation grants and loans	2,028	-	2,028	6,717	8,745
Furniture, fixtures, and equipment	8	-	8	-	8
Pass-through charges	311	18,306	18,617	-	18,617
Debt service payments:					
Bonds and notes payable—principal	-	8,672	8,672	-	8,672
City/County advances and loans—principal	2,484	-	2,484	-	2,484
Interest	743	17,008	17,751	-	17,751
Fiscal agent fees	-	86	86	-	86
TOTAL EXPENDITURES	39,976	45,825	85,801	11,831	97,632
Excess (deficiency) of Revenues over (under) Expenditures	(36,326)	52,441	16,115	12,479	28,594
OTHER FINANCING SOURCES AND (USES)					
Proceeds from issuance of long-term debt	1,616	-	1,616	-	1,616
Land transfers, net	(1,502)	-	(1,502)	(1,003)	(2,505)
Transfers to Capital Projects from Debt Service	52,284	(52,284)	-	-	-
Transfers from Low- and Moderate-Income Housing Fund	103	3,327	3,430	(3,430)	-
Transfers from the City	1,884	-	1,884	-	1,884
Transfers to the City	(1,741)	(4,399)	(6,140)	(90)	(6,230)
TOTAL OTHER FINANCING SOURCES (USES)	52,644	(53,356)	(712)	(4,523)	(5,235)
Net change in fund balances	16,318	(915)	15,403	7,956	23,359
Fund Balance—October 1	187,710	134,108	321,818	41,627	363,445
FUND BALANCE—SEPTEMBER 30	\$ 204,028	\$ 133,193	\$337,221	\$ 49,583	\$ 386,804

The notes to the combined financial statements are an integral part of this statement.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Reconciliation of Combined Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds
to the Combined Statement of Activities
Year Ended September 30, 2009
(In Thousands)

	Capital Projects/Debt Service Funds	Low- and Moderate-Income Housing Fund
Amounts reported for governmental activities in the combined statement of activities are different because:		
Excess of revenue and other sources over expenditures and other uses—total governmental funds.	\$ 15,403	\$ 7,956
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life and reported as depreciation expense. This is the depreciation amount in the current period, net of additions. (note 5)	(48)	(63)
The Agency records advances from/to the primary government only in government-wide financial statements. Therefore, interest and principal thereon are eliminated in the governmental funds.	(1,317)	27
Governmental funds report expenditures pertaining to the establishment of certain long-term loans made. Payments on these long-term receivables are recorded as revenue in the governmental funds. These deferred credits are not reported on the combined statement of net assets, and therefore, the corresponding net expense is not reported on the combined statement of activities.	-	6,473
The issuance of long-term debt (for example, bonds and leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the combined statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (note 3)	8,361	-
Some expenses reported in the combined statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (note 3)	(122)	(80)
Change in net assets in governmental activities.	\$ 22,277	\$ 14,313

The notes to the combined financial statements are an integral part of this statement.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009

Note 1 – Description of Entity, Funds, and Summary of Significant Accounting Policies

Reporting Entity

The Redevelopment Agency of the City of Long Beach (the Agency) was established by action of the City Council in 1961 under provisions of State Law. The Agency is an independent public agency governed by a board comprising seven citizens who are appointed by the Mayor of the City of Long Beach and confirmed by the City Council. The City Council approves the Agency's annual budget and subsequent changes for the year. The City Council also approves all decisions that impact the Agency's fiscal operations, such as the determination of the redevelopment project areas and changes thereto, issuance of bonds, and sale of properties. The City has financial oversight responsibility over the Agency and provides all staff, treasury management and investment analysis, facilities, and administrative services to conduct the Agency's daily operations.

The Agency is a component financial reporting unit of the City of Long Beach, California (City). In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, the Agency's financial activities are included in the City's Comprehensive Annual Financial Report as a blended component unit.

The State of California Health and Safety Code Section 33080.1 requires every redevelopment agency to submit an annual audit of the combined financial statements of the agency, which presents the results of the operations and financial position of the agency, including all financial activities with moneys required to be held in a separate Low- and Moderate- Income Housing Fund pursuant to Section 33334.3. As such, the Agency has included in the accompanying combined financial statement the Low- and Moderate- Income Housing Fund, which is recorded with the City of Long Beach and the Long Beach Housing Development Company pursuant to Agreement No. 20130. The State of California Health and Safety Code Section 33334.2 requires the 20 percent set-aside tax increment revenues to be used to increase, improve, and preserve the supply of low- and moderate-income housing within the Agency's territorial jurisdiction.

Governmental Funds

The accounts of the Agency are organized and operated on the basis of separate funds, each of which is defined as a separate fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

Capital Projects Fund – set up to account for financial resources to be used for land acquisition, relocation, demolition, public improvements, and sale of properties within the redevelopment project areas in accordance with the California Redevelopment Law. Redevelopment projects are financed with property tax increment funds, developers' contributions, grant funds, loans and operating transfers from the City, and bond proceeds.

Debt Service Fund – set up to account for the accumulation of resources for, and the payment of, long-term debt principal and interest and other related costs, primarily from property tax increment revenues.

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

Low- and Moderate-Income Housing Fund

Low- and Moderate-Income Housing Fund was set up by the City to account primarily for the 20 percent tax increment housing set-aside revenue, used to provide housing for low- and moderate-income households, as required under California Redevelopment Law Section 33334.3.

Basis of Accounting and Measurement Focus and Financial Statement Presentation

The government-wide financial statements (i.e., the combined statement of net assets and the combined statement of activities) are reported using the accrual basis of accounting and economic resources measurement focus. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

In the combined statement of net assets, the amounts paid to acquire capital assets are capitalized as assets, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities, rather than as other financing sources. Amounts paid to reduce long-term indebtedness are reported as reductions of the related liability, rather than as expenditures.

In the combined statement of activities, expenses are directly identified with a specific function or segment and are offset by program revenues. Taxes and other resources not appropriately included among program income are reported as general revenues.

The governmental fund financial statements are reported using the modified accrual basis of accounting and the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting, other than debt service expenditures. The matured principal and accrued interest on long-term debt are recorded when payment is due.

Generally, only current assets and current liabilities are included on the governmental fund balance sheets. However, non-current portions of long-term receivables related to governmental funds are also reported on the balance sheets and are offset by deferred revenue or fund balance reserve accounts. Combined statements of revenues, expenditures, and changes in fund balances (deficit) for governmental funds generally present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009

Pooled Cash and Investments

In order to enhance investment return, the Agency pools its available cash with that of the City for investment purposes except for the funds held by the outside fiscal agents under the provisions of bond indentures. The cash management pool is used essentially as a demand deposit account by various funds; accordingly, the City has defined Cash and Investments as demand deposits plus all investments maintained in the cash management pool, regardless of maturity period. Investment decisions are made by the City Treasurer in accordance with the City's investment policy. Interest is allocated to the Agency based on the relationship of its daily cash balances to the total pooled cash and investments. Pooled cash and investments are stated at fair value at September 30, 2009.

Long-Term Receivables

In the government-wide combined financial statements, the Agency's loans or long-term receivables are reported net of an allowance for uncollectible accounts. In the fund financial statements, these loans are shown in the balance sheet with an offset to a deferred revenue account or a reservation of fund balance. In the fund financial statements, loans are not available spendable resources and have been recorded as expenditures when the loan was disbursed. Repayments of principal and interest were recorded as revenues in the period received.

Long-Term Obligations

In the government-wide combined financial statements, long-term debt and other liabilities are reported as liabilities in the statement of net assets. Initial-issue bond premiums and discounts, as well as issuance costs, as a policy, are amortized using the straight-line interest method. Bonds payable are reported net of the unamortized portion of applicable premium, discount, or deferred amount on refunding. Amortization of bond premiums or discounts and deferred amounts on refunding are included in interest expense.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of the debt is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Bond issuance costs are reported as debt service expenditures, whether or not withheld from the actual bond proceeds.

Land Held for Resale

To aid in the elimination of blighted areas within the project areas, the Agency acquires selected parcels of land and makes such sites suitable for sale to recognized developers. The purchase price of the land acquired is capitalized as "Land Held for Resale" and the fund balance is reserved for the investment in the land.

Purchased land is recorded at the lower of cost or estimated fair market value excluding demolition and relocation costs, which are considered by the Agency to be expenditures in the year incurred.

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

Capital Assets

The Agency has adopted the City's policy regarding recordation of capital assets, which is defined as assets with initial individual costs of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost.

Capital assets are depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

Land Improvements	15-35 years
Buildings	20-50 years
Machinery and Equipment	5-20 years
Office Furniture, Fixtures, and Equipment	3-20 years

Net Assets and Fund Equity

In the government-wide financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and, unrestricted deficit. Restricted net assets represent net assets restricted by parties outside of the Agency (such as investors, grantors, contributors, laws, and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets, to the extent that restricted net assets remain positive. The Agency's other restricted net assets are temporarily restricted (ultimately expendable assets). All other net assets are considered unrestricted.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not readily available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent Redevelopment Agency Board actions or policies that are subject to change.

Property Tax Increment Revenues

Property tax increment represents the property taxes paid on the increase in assessed property values that result from redevelopment. Tax increment revenue up to the amount necessary to make Agency debt payments reverts to the Agency for the life of the redevelopment project area or until the time limit for repayment of indebtedness established by state law.

Property Tax Calendar

Under the State Constitution, the property tax rate is limited to 1 percent of assessed value, but may be adjusted for specific voter-approved indebtedness. Property taxes are levied by the Los Angeles County (County) Tax Assessor and shared among all other local taxing authorities within the City. Accordingly, the County collects property taxes and distributes such taxes on the basis of the taxing authorities' tax rate percentages, allowing for such adjustments as may be authorized for voter-approved debt. Secured property taxes are levied during September of every year and become a lien on real property on January 1 preceding the fiscal year for which taxes are levied. These tax payments can be made in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10.

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

The Agency recognizes property tax receivable when levied and defers the portion that is neither intended nor available to finance current year expenditures.

Budgetary Principles

The Agency is required to adopt an annual budget on or before September 30 for the ensuing fiscal year for all funds. The legal level of the budgetary control is at the fund. During the fiscal year, the Board may amend its adopted budget by motion and subsequent approval by the City Council. The Agency's executive director may transfer appropriations from one program, activity, or object to another within the same fund type.

Budget information is presented on the budgetary basis of accounting for both the original and final amended budget.

Accounting for Encumbrances

The Agency utilizes an encumbrance system of accounting wherein encumbrances outstanding at year-end are not reported as expenditures, but are reported as a reservation of fund balance available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year.

Implementation of New Accounting Pronouncements

The following summarizes implemented GASB pronouncements and their impact, if any, on the combined financial statements:

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations. The statement focuses on the current or potential detrimental effects of existing pollution through the participating in pollution remediation activities such as site assessments and cleanups. The scope of the statement excludes pollution prevention or control obligations with respect to current operations and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and postclosure care and nuclear power plant decommissioning. The requirements of this statement were effective for financial statements periods beginning after December 15, 2007 and include measurement of pollution remedial liabilities at the beginning of the fiscal period as to restate beginning net assets. Governments with sufficient objective verifiable information to apply expected cash flow techniques to determine prior period liabilities are required to do for all periods presented. The adoption did not have a material impact on the Agency's combined financial statements.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. The statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. This statement more appropriately reports the resources available in endowments and more closely aligns financial reporting with the objectives of endowments. It results in property

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

held for similar purposes by comparable entities being reported in the same manner. Reporting land and other real estate held as investments at fair value enhances users' ability to meaningfully evaluate an entity's investment decisions and performance. The adoption did not have a material impact on the Agency's combined financial statements.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The statement specifically requires governments to measure and report most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The requirement of reporting the derivative instruments at fair value on the face of financial statements gives the users of financial statements a clearer look into the risks their governments are sometimes exposed to when they enter into these transactions and how those risks are managed. The statement also addresses hedge accounting requirements and improves disclosures, providing a summary of the government's derivative instrument activity, its objectives for entering into derivative instruments, and their significant terms and risks. Application of this statement is effective for the Agency's fiscal year ending September 30, 2010. However, the Agency has, in conjunction with the City, adopted the statement early and the statement did not have a material impact on the combined financial statements.

GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The Statement incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. Implementation of this statement is not expected to result in any changes in current practice. The adoption did not have a material impact on the Agency's combined financial statements.

GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles—related party transactions, going concern considerations, and subsequent events. The adoption did not have a material impact on the Agency's combined financial statements.

The Agency is currently analyzing its accounting practices to determine the potential impact on the combined financial statements for the following GASB Statements:

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets. Application of this statement is effective for the Agency's fiscal year ending September 30, 2010.

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement is intended to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Statement also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements. Application of this statement is effective for the Agency's fiscal year ending September 30, 2011.

Personnel

The Agency is supported by employees of the City and appropriate costs are then charged to the Agency. All employee-related costs are accounted for in the City's financial systems.

Estimates

The preparation of the Agency's combined financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 – Cash and Investments

The Agency pools its cash and investments with other City funds maintained by the City Treasurer. The Agency's individual cash deposits and investments within this pool are not specifically segregated. Interest income earned on pooled cash and investments is allocated monthly to the various pool participants based on their average daily cash balances.

As a component financial reporting unit of the City, the Agency is authorized to invest in obligations issued or guaranteed by the Federal Government and its agencies and instrumentalities, high quality commercial paper and medium term corporate notes rated by Standard and Poor's Corporation or Moody's, bankers' acceptances, repurchase agreements, reverse repurchase agreements, bank certificates of deposit, the State Treasurer's Local Agency Investment Fund, and shares of beneficial interest (mutual funds) issued by diversified investment management companies. The City's bank deposits are either covered by federal insurance or collateralized in accordance with the California Government Code. Pooled cash and investment detail is included in the City's CAFR.

Cash with Fiscal Agents

Independent fiscal agents also hold the Agency's funds. These funds are pledged to the payment of outstanding bonds and project costs eligible under the bond indenture for each project area related to the Tax Allocation Bonds 1992, 2002 Series A and B, and 2005 Series A, B, and C issuance. These funds are reserved in the Debt Service Fund

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009

amounting to \$62,011,000. Monies held by fiscal agents, unless otherwise required by statute, may be invested in accordance with the underlying bond indentures specifying the types of investments the Agency's fiscal agents may make. These underlying indentures are generally more restrictive than the City's general investment policy. Additional types of investments, not permitted by the City's general investment policy, are not authorized.

Cash and Investments as of September 30, 2009 are classified in the Agency's combined financial statements as follows (in thousands):

Combined statement of net assets:	
Cash and investments in City pool	\$ 107,443
Cash and investments held by bond trustee	62,011
Time Certificates of Deposit	<u>10,000</u>
Total cash and investments	<u>\$ 179,454</u>

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the City's investment policy. The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not address debt proceeds held by bond trustee, which are governed by the provisions of debt agreements of the City, rather than the general provision of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Bonds issued by the City	5 years *	30%	None
U.S. Treasury notes, bonds, or bills	5 years *	None	None
Registered state warrants or treasury notes or bonds of the State of California	5 years *	30%	None
Local agency bonds	5 years *	30%	None
Federal agency securities	5 years *	40%	None
Bankers acceptances	180 days	40%	30%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years *	30%	10%
Time certificates of deposit	5 years *	100%	10%
Repurchase agreements	90 days	100%	None
Reverse repurchase agreements	92 days	20%	None
Securities lending program	92 days	20%	None
Medium-term notes	5 years *	30%	10%
Money market funds	N/A	20%	10%
Local agency investment fund (LAIF)	N/A	None	\$40 million per account
Asset-backed securities	5 years	20%	None
Mortgage-backed securities	5 years	20%	None

* Maximum maturity of five (5) years unless a longer maturity is approved by the City Council, either specifically or as part of an investment program, at least three (3) months prior to purchase.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments, and by timing cash flows from maturities so that a portion of the

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009

portfolio is maturing or coming closer to maturity evenly over time as necessary to provide adequate cash flow and liquidity for operations. The following schedule indicates the interest rate risk of the City's investments, which include the amount the Agency has invested with the City as of September 30, 2009 (in thousands):

<u>Investment Type</u>		<u>Weighted Average Maturity (in years)</u>
Cash and Investments in City Pool:		
Interdepartment Loan (Health SAVRS)	\$ 2,654	10.60
U.S. Treasury Notes	930,125	0.41
Federal Agency Securities	592,312	1.96
Government Managed Rate Account	<u>104,667</u>	-
Subtotal City Pool	1,629,758	
Cash and Deposits	80,099	
Outstanding Checks	<u>(13,698)</u>	
Total City Pool	<u>\$ 1,696,159</u>	
Non-performing Short-term Investment	<u>\$ 3,962</u>	

The Agency cash and investments amount of \$107,443,000 is 6.33 percent of the City's pooled cash and investments of \$1,696,159,000.

The Agency's non-pooled cash and investments of \$72,011,000 consist of bond proceeds with the trustee and a certificate of deposit for the North Long Beach Project Area.

<u>Agency Non-pooled Investment Type</u>		<u>Weighted Average Maturity (in years)</u>
Money Market Funds	\$ 33,916	-
Guaranteed Investment Contracts	13,108	24.75
U.S. Treasury Notes	8,844	2.00
Federal Agency Securities	6,143	2.50
Time Certificates of Deposit	<u>10,000</u>	1.00
Total held by Bond Trustee	<u>\$ 72,011</u>	

Investments with Fair Values Highly Sensitive to Interest Rate Risk

Highly sensitive investments are investments whose sensitivity to market interest rate fluctuations are not fully addressed by the use of one of the five methods for reporting interest rate risk. The City had no investments with values that were highly sensitive to interest rate risk as of September 30, 2009.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009

Risks and Uncertainties

The City may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the combined statement of net assets.

The City invests in securities with contractual cash flows, such as asset-backed securities and mortgage-backed securities. The value, liquidity, and related income of these securities are sensitive to change in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The minimum rating requirements for commercial paper, asset backed securities, and medium term notes is an A rating. Mortgage backed security issuers must have a minimum AAA rating. State warrants, state treasury notes, or bonds of the state of California are to be rated at a minimum of A1/Sp-1 for short-term investments and Aa/AA for long-term investments.

Presented below is the minimum rating required by the California Government Code, the City's investment policy, and the actual rating as of September 30, 2009 for each investment type (in thousands):

City's Pooled Investments Investment Type	Minimum Legal Rating		Rating as of Year-end					
			Not Required to Be Rated	A-1+	A-1	AAA	AA-	Unrated
Cash and Investments in City Pool:								
Interdepartment Loan (Health SAVRS)	N/A	\$ 2,654	2,654	-	-	-	-	-
U.S. Treasury Notes	N/A	930,125	930,125	-	-	-	-	-
Federal Agency Securities	N/A	592,312	-	-	-	592,312	-	-
LAIF	N/A	-	-	-	-	-	-	-
Government Managed Rate Account	N/A	104,667	104,667	-	-	-	-	-
Subtotal City Pool		1,629,758	1,037,446	-	-	592,312	-	-
Cash and Deposits		80,099	-	-	-	-	-	80,099
Outstanding Checks		(13,698)	-	-	-	-	-	(13,698)
Total City Pool		\$ 1,696,159	1,037,446	-	-	592,312	-	66,401
Non-performing Short-term Investment	N/A	\$ 3,962	-	-	-	-	-	3,962

Agency Non-pooled Investment Type	Minimum Legal Rating		Rating as of Year-end					
			Not Required To Be Rated	A-1+	A-1	AAA	AA-	Unrated
Money Market Funds	N/A	\$ 33,916	33,916	-	-	-	-	-
Guaranteed Investment Contracts	N/A	13,108	13,108	-	-	-	-	-
U.S. Treasury Notes	N/A	8,844	-	-	-	8,844	-	-
Federal Agency Securities	N/A	6,143	-	-	-	6,143	-	-
Time Certificates of Deposit	N/A	10,000	10,000	-	-	-	-	-
Total held by Bond Trustees		\$ 72,011	57,024	-	-	14,987	-	-

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent 5 percent or more of the City's total pooled investments are as follows (in thousands):

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bank	Federal agency securities	\$ 28,232
Federal Home Loan Bank	Federal agency securities	95,440
Federal Home Loan Mortgage Association	Federal agency securities	91,865
Federal National Mortgage Association	Federal agency securities	376,776
U.S. Treasury	U.S. Treasury notes and bonds	930,125

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker/dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

All securities owned by the City are deposited in trust for safekeeping with a custodial bank different from the City's primary bank.

As of September 30, 2009, the City reported deposits of \$80,099,000 less \$13,698,000 for checks outstanding.

Investment in State Investment Pool

The City is a voluntary participant in the LAIF that is regulated by the California Government Code section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the City's financial statements at amounts based upon the City's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

maintained by LAIF, which are recorded on an amortized-cost basis. Included in LAIF's investment portfolio are mortgage-backed securities, loans to certain state funds, securities with interest rates that vary according to changes in rates greater than a one-for-one basis, and structured basis. At September 30, 2009, the City was not participating in the LAIF.

Reverse Repurchase Agreements

There were no transactions involving reverse repurchase agreements during the fiscal year ended September 30, 2009.

GASB 31

GASB Statement No. 31, *Certain Investments and External Investment Pools*, requires that certain investments and external investment pools be reported at fair value. At September 30, 2009, the effect of recording the City's investments at fair value did not have a material impact on the City's and Agency's financial position.

Securities-Lending

The City did not engage in any securities lending programs for the fiscal year ended September 30, 2009. However, from time to time, the City engages in limited securities lending activities. These activities are governed by formal agreement with the City's contract bank. This agreement limits the nature and amount of the transactions and provides for full collateralization of each transaction.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009

Non-pooled Restricted Cash and Investments

Non-pooled restricted cash and investments stated at fair value, in accordance with GASB Statement No. 31, *Certain Investments and External Investment Pools*, including accrued interest thereon, consisted of the following at September 30, (in thousands):

	Cash with Fiscal Agent	Investments	Total
<u>Tax Allocation Bonds:</u>			
1992 Multiple Series:			
West Long Beach Industrial Project	\$ 56	\$ 2,528	\$ 2,584
Downtown Project -Series A	122	5,625	5,747
2002 Multiple Series:			
2002A Poly High Project	7	105	112
2002A West Beach Project	9	753	762
2002B West Long Beach Industrial Project	549	-	549
2002A Downtown Project	32	2,425	2,457
2002A North Long Beach Project	131	3,105	3,236
2005 Multiple Series:			
2005A-2 Poly High Project	2	103	105
2005A-1 Los Altos Project	-	408	408
2005A-1 Central Long Beach Project	3,790	1,864	5,654
2005B Central Long Beach Project	35	2,145	2,180
2005A-1 North Long Beach Project	3,826	3,269	7,095
2005B North Long Beach Project	27	1,711	1,738
2005B Housing Fund	25,298	4,054	29,352
2005C Downtown Project	32	-	32
North Long Beach Project	-	10,000	10,000
Total	<u>\$ 33,916</u>	<u>\$ 38,095</u>	<u>\$ 72,011</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009

Note 3 – Reconciliation of Government-wide and Fund Combined Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Combined Statement of Net Assets

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net assets (deficit) – governmental activities as reported in the government-wide combined statement of net assets. One element of that reconciliation explains, “Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.” The details of the \$331,191,000 and \$1,570,000 differences are as follows (in thousands):

	Capital Projects/Debt Service Funds	Low- and Moderate- Income Housing Fund
Bonds Payable	\$ 323,890	\$ -
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(6,575)	-
Unamortized loss on defeasance	(2,130)	-
Issuance discount, net (to be amortized as an addition to interest expense)	(566)	-
Plus: Issuance premium, net (to be amortized as a reduction of interest expense)	8,473	-
Notes payable	3,284	1,052
Environmental remediation	-	13
Accrued interest payable	4,815	505
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets (deficit) – governmental activities	<u>\$ 331,191</u>	<u>\$ 1,570</u>

Explanation of Certain Differences between the Governmental Fund Combined Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Combined Statement of Activities

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the combined statement of activities. The details of this \$8,361,000 difference are as follows (in thousands):

	Capital Projects/Debt Service Funds
<u>Debt issued or incurred</u>	
Issuance of notes, certificates of participation commercial paper, and other long-term obligations	\$ 311
<u>Principal payments</u>	
Tax Allocation Bonds obligation debt	(8,672)
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (8,361)</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009

Some expenses reported in the combined statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The details of the \$122,000 and \$80,000 differences are as follows (in

	Capital Projects/Debt Service Funds	Low- and Moderate- Income Housing Fund
Accrued interest	\$ 147	\$ 80
Amortization of premium	(454)	-
Amortization of discount	23	-
Amortization of issuance cost	303	-
Amortization of loss on defeasance	103	-
Net adjustment	<u>\$ 122</u>	<u>\$ 80</u>

thousands):

Note 4 – Receivables

The following receivables are expected to be collected within one year. There are no allowances for uncollectable accounts. Current receivables at September 30, 2009 are as follows (in thousands):

	Capital Projects/Debt Service Funds	Low- and Moderate- Income Housing Fund
Interest	\$ 165	\$ -
Property taxes	92,186	-
Accounts and loans receivable	1,077	6
Total	<u>\$ 93,428</u>	<u>\$ 6</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009

Note 5 – Capital Assets

Capital asset activity for the year ended September 30, 2009 is as follows (in thousands):

Capital Project / Debt Service activities	Balance at October 1, 2008	Increase	Decrease	Balance at September 30, 2009
Capital assets, not being depreciated:				
Land	\$ 13,802	\$ -	-	\$ 13,802
Total capital assets not being depreciated	13,802	-	-	13,802
Capital assets, being depreciated:				
Building	483	-	-	483
Machinery and equipment	448	37	-	485
Total capital assets being depreciated	931	37	-	968
Less accumulated depreciation for:				
Building	(32)	(32)	-	(64)
Machinery and equipment	(72)	(53)	-	(125)
Total accumulated depreciation	(104)	(85)	-	(189)
Total capital assets being depreciated, net	827	(48)	-	779
Redevelopment Agency, governmental activities capital assets, net	\$ 14,629	\$ (48)	\$ -	\$ 14,581

Depreciation was charged to functions/programs of governmental activities as follows (in thousands):

Community and cultural/housing:	
Community development	\$ (85)

Low- and Moderate-Income Housing activities:	Balance at October 1, 2008	Increase	Decrease	Balance at September 30, 2009
Capital assets, not being depreciated:				
Land	\$ 1,015	\$ -	\$ -	\$ 1,015
Total capital assets not being depreciated	1,015	-	-	1,015
Capital assets, being depreciated:				
Building	536	-	-	536
Improvements other than buildings	1,053	-	-	1,053
Total capital assets being depreciated	1,589	-	-	1,589
Less accumulated depreciation for:				
Building	(112)	(18)	-	(130)
Improvements other than buildings	(406)	(45)	-	(451)
Total accumulated depreciation	(518)	(63)	-	(581)
Total capital assets being depreciated, net	1,071	(63)	-	1,008
Low- and Moderate-Income Housing Fund, Governmental activities capital assets, net	\$ 2,086	\$ (63)	\$ -	\$ 2,023

Depreciation was charged to functions/programs of governmental activities as follows (in thousands):

Community and cultural/housing:	
Community development	\$ (63)

Redevelopment Agency of the City of Long Beach
 (A Component Financial Reporting Unit of the City of Long Beach, California)
 Notes to Combined Financial Statements
 September 30, 2009

Note 6 – Due to/from and Advances from/to the City of Long Beach

The composition of receivables and payables to the City as of September 30, 2009 is as follows (in thousands):

Redevelopment Agency

Due to the City of Long Beach

Internal Service Fund	\$ 78
Total due to the City of Long Beach	<u>\$ 78</u>

Advances from the City of Long Beach

General Fund	\$ 103,219
Housing Development Fund 20% set-aside	17,321
Housing Development Fund other project costs	3,908
General Capital Projects	10,766
Harbor Fund	27,000
Total advances from the City of Long Beach	<u>\$ 162,214</u>

Advances to the City of Long Beach

Aquarium of the Pacific:	
Funds transfer	\$ 24,049
Accrued interest	439
Total advances to the City of Long Beach	<u>\$ 24,488</u>

Low- and Moderate-Income Housing Fund

Due to the City of Long Beach

Internal Service Fund	\$ 40
Total due to the City of Long Beach	<u>\$ 40</u>

Advances to the Housing Development Fund

City of Long Beach	\$ 856
Housing Development Company	1,440
Total advances to the Housing Development Fund	<u>\$ 2,296</u>

Advances to the Redevelopment Agency

20% set-aside	\$ 16,361
Project costs	960
Total advances to the Redevelopment Agency	<u>\$ 17,321</u>

The advances from the City of Long Beach of \$162,214,000 are only reported in the government-wide financial statements as Advances from the City of Long Beach and Advances from Low- and Moderate-Income Housing Fund of \$144,893,000 and \$17,321,000, respectively.

Due to/from the City of Long Beach

Employee Benefit overhead costs of \$78,000, such as funding for health benefits and paid time of, relating to the wages and salaries accrued at September 30, 2009, are payable to the City's Employee Benefits Internal Service Fund at September 30, 2009.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009

Advances from/to the City of Long Beach

The Agency records its debt owed to the City of Long Beach only in its government-wide financial statements. From 1974 to 2009, the City transferred funds to the Agency that included Federal grant monies for use on redevelopment projects. The Agency occasionally makes discretionary payments to the City, which in fiscal year 2009 amounted to \$2,784,000. At September 30, 2009, the outstanding balances of these transfers amounted to \$103,219,000, \$3,908,000, and \$9,647,000 in the City's General Fund, Housing Development Special Revenue Fund, and General Capital Projects Fund, respectively, for land acquisition, project, and administration costs. It is the intent of the Agency to repay these transfers as future property tax increment revenues permit. Due to the long-term nature of the repayment, the City has reserved these interfund receivables in the General Fund, Housing Development Special Revenue Fund, and General Capital Projects Fund.

In December 1993, the City agreed to convey to the Agency real property for the Central Long Beach Project equal to the fair market value less any costs of demolition and remediation of the property or \$1,877,000. Pursuant to the loan agreement, the Agency is required to make a loan repayment equal to at least 1 percent of the net tax increment received by the Agency for the Central Long Beach Project Area. The funds paid to the City are required to be utilized for gang prevention and other youth-related activities. In fiscal year 2009, the Agency made a loan repayment of \$184,000 to the City. The balance of this advance on September 30, 2009 was \$1,119,000.

In 1990, the Agency received an advance from the Long Beach Harbor Department (Port) for the expansion of the Long Beach Convention and Entertainment Center. The resulting note, payable solely from the Downtown Project Area's transient occupancy taxes, was scheduled to be repaid commencing on October 1, 1997. In August 1995, the agreement was amended to defer payment until a certificate of occupancy was issued for the Aquarium of the Pacific Project, which was completed in fiscal year 1998. In 2002, a subsequent amendment deferred further the scheduled quarterly payments of \$441,000 over 16 years. In 2009, the agreement was further amended. Under the terms of the amendment, the pledge of transient occupancy taxes was relieved, \$435,000 of the original outstanding advance was forgiven, and the Agency agreed to reimburse the Harbor up to a maximum of \$27,000,000, using a pledge of future tax increment revenues, for costs of new project area improvements submitted by the Port pursuant to the West Long Beach Industrial Redevelopment Project Area Public Improvement Reimbursement Agreement between the Agency and the Port dated September 1, 2009. Further, the amendment stipulated that at July 1, 2015, if the Port has not submitted requests for reimbursement equivalent to the maximum amount allowable, the amount of the advance equal to the remaining unused balance of the agreement shall be forgiven. At September 30, 2009, the total aggregate balance outstanding was \$27,000,000.

In accordance with the Owner Participation Agreement by and among the Redevelopment Agency of the City of Long Beach, Long Beach Bond Finance Authority and the Aquarium of the Pacific, all Redevelopment Agency Fund transient occupancy taxes are pledged to fund the debt service payments of the Lease Revenue Refunding Bonds (Aquarium of the Pacific Project) Series 2001 if needed. The Redevelopment Agency will

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

be reimbursed for any such advances together with accrued interest, at an interest rate equal to the rate earned on the City Treasurer's Investment Pool, as monies are available. At September 30, 2009, the Redevelopment Agency had advanced \$24,488,000 to the City for the bond payment, including accrued interest of \$439,000.

Low- and Moderate-Income Housing Fund

Effective in fiscal year 1986, the Agency was allowed to defer a portion or 100 percent of the housing set-aside based on the financial obligations existing prior to January 1986. There was no deferral of the 20 percent housing set-aside for the fiscal year ended September 30, 2009. The deferred payments for the Downtown Project Area of \$16,361,000 and the advances made to the Central Long Beach project Area for a residential construction project of \$960,000 at September 30, 2009 constitute a debt of the Agency to the Housing Development Fund. This total advances of \$17,321,000 is shown as offsetting components of the combined statement of net assets, "Advances from Low- and Moderate-Income Housing Fund" and "Advances to the Redevelopment Agency".

In 2009, the Low- and Moderate-Income Housing Fund advanced \$2,296,000 to the City and the Long Beach Housing Development Company for the repayment of long-term notes payable to the California Housing Finance Agency. As of September 30, 2009, \$856,000 has been advanced to the City for the Parwood Project and \$1,440,000 advanced to the Housing Development Company for the Grisham Project.

Note 7 – Long-Term Obligations

Long-Term Debt activity for the year ended September 30, 2009 was as follows (in thousands):

	Balance at September 30, 2008	Additions	Reductions	Balance at September 30, 2009	Due within one year
Capital Project/Debt Service Fund					
Bonds payable:					
Tax allocation bonds:	\$ 332,562	\$ -	\$ (8,672)	\$ 323,890	\$ 9,130
Add (less) deferred amounts:					
Premium	8,927	-	(454)	8,473	-
Discount	(589)	-	23	(566)	-
Issuance costs	(6,878)	(13)	316	(6,575)	-
Loss on defeasance	(2,233)	-	103	(2,130)	-
Total bonds payable	331,789	(13)	(8,684)	323,092	9,130
Notes payable	2,875	409	-	3,284	-
Advances from the City of Long Beach	143,604	4,693	(3,404)	144,893	-
Advances from Low- and Moderate-Income Housing Fund	17,293	28	-	17,321	-
Long-term liabilities	\$ 495,561	\$ 5,117	\$ (12,088)	\$ 488,590	\$ 9,130

Low- and Moderate-Income Housing Fund

	Balance at September 30, 2008	Additions	Reductions	Balance at September 30, 2009	Due within one year
Notes Payable	\$ 1,015	-	-	\$ 1,015	\$ -
Environmental Remediation	-	50	-	50	13
	\$ 1,015	50	-	\$ 1,065	\$ 13

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

Pledged Revenue

The Agency has pledged a portion of future tax increment revenues to repay tax allocation bonds issued between 1992 and 2006. The bonds were issued either to finance redevelopment activities within various project areas or to refinance existing debt that was originally issued for the same purpose. The bonds are payable solely from tax increment revenues. Tax increment revenues are projected to produce 392 percent of the debt service requirements over the life of the bonds. As of September 30, 2009, total principal and interest requirement for the bonds is \$565,691,000 (\$323,890,000 for principal and \$241,801,000 for interest), payable semiannually through 2040. For the current year, principal and interest paid and tax increment revenues received were \$25,680,000 and \$92,762,000, respectively.

The Agency has pledged a portion of future tax increment revenues to repay advances from the City made in between 1974 and 2009. The advances were made to finance redevelopment activities within or of benefit to various project areas. The advances are payable solely from tax increment revenues. Tax increment revenues are projected to produce 2,305 percent of the debt service requirements over the life of the advances. As of September 30, 2009, the total principal and interest requirement for the advances is \$117,893,000 (\$68,016,000 for principal and \$49,877,000 for interest). At present, the Agency has a maximum termination date of December 2047. For the current year, principal and interest paid and tax increment revenues received were \$2,969,000 and \$92,762,000, respectively.

Taken as a whole, the Agency has pledged \$683,584,000 (\$391,906,000 for principal and \$291,678,000 for interest) of future tax increment revenues resulting in a coverage ratio of tax increment revenues to debt of 398 percent.

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

Note 8 – Bonds Payable

At September 30, 2009, bonded indebtedness consisted of the following (in thousands):

	Date Issued	Final Maturity	Range of Semi-Annual Interest Rates	Authorized and Issued	Outstanding Balance September 30, 2009
<u>Tax Allocation Bonds:</u>					
1992 Multiple Series:					
Downtown Project – Series A	12/01/92	11/01/22	2.9 - 6.00%	\$ 81,020	\$ 29,590
West Long Beach Industrial Project	12/01/92	11/01/22	2.9 - 6.00%	36,470	13,325
2002 Multiple Series:					
2002A Poly High Project	06/25/02	08/01/12	4.809%	1,710	599
2002A West Beach Project	06/25/02	08/01/18	5.152%	8,895	5,880
2002B West Long Beach Industrial Project	12/05/02	11/01/24	2.00 - 5.50%	21,860	19,295
2002A Downtown Project	06/25/02	08/01/24	5.04 - 5.25%	26,820	14,921
2002B Downtown Project	12/05/02	11/01/22	2.25 - 5.50%	25,920	22,615
2002A North Long Beach Project	06/25/02	08/01/31	6.105%	40,290	8,988
2005A-1 Los Altos Project	03/02/05	08/01/20	2.20 - 4.00%	4,685	3,620
2005A-1 Central Long Beach Project	03/02/05	08/01/40	3.52 - 5.34%	22,690	21,568
2005A-1 North Long Beach Project	03/02/05	08/01/35	3.52 - 5.16%	39,000	36,349
2005A-2 Poly High Project	03/02/05	08/01/24	3.79 - 4.90%	2,558	2,558
2005A-2 West Beach Project	03/02/05	08/01/20	4.59 - 4.66%	839	839
2005B Central Long Beach Project	03/02/05	08/01/40	3.52 - 5.34%	34,240	32,547
2005B North Long Beach Project	03/02/05	08/01/35	3.52 - 5.16%	25,080	23,376
2005B Housing Fund	03/02/05	08/01/40	3.52 - 5.44%	55,665	52,935
2005C Downtown Project	02/01/06	08/01/24	3.25 - 5.50%	7,900	7,740
2005C North Long Beach Project	02/01/06	08/01/31	3.70 - 5.50%	27,145	27,145
Total Bonds Payable				<u>\$ 462,787</u>	<u>\$ 323,890</u>

Annual Payments

Combined annual debt-service payments to maturity for all bonds are as follows (in thousands):

Fiscal Year	Principal	Interest	Total Debt Service
2010	\$ 9,130	\$ 16,568	\$ 25,698
2011	9,593	16,084	25,677
2012	10,110	15,572	25,682
2013	10,842	15,135	25,977
2014	11,375	14,597	25,972
2015 - 2019	65,626	64,264	129,890
2020 - 2024	78,364	46,781	125,145
2025 - 2029	44,602	28,889	73,491
2030 - 2034	44,848	16,967	61,815
2035 - 2039	32,715	6,595	39,310
2040	6,685	349	7,034
Totals	<u>\$ 323,890</u>	<u>\$ 241,801</u>	<u>\$ 565,691</u>

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

Note 9 – Notes and Interest Payable

At September 30, 2009, the Agency had the following notes payable to land sellers, developers, and other governmental entities (in thousands):

	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Range of Interest Rates</u>	<u>Originally Issued</u>	<u>Outstanding at September 30, 2009</u>
Capital Project/Debt Service Fund Los Angeles County	1/21/1992	12/10/2036	3.75%	<u>\$ 3,284</u>	<u>\$ 3,284</u>
<u>Low- and Moderate-Income Housing Fund</u>					
State of California	1/23/1992	1/23/2022	3.00%	<u>\$ 1,015</u>	<u>\$ 1,015</u>

Combined annual debt service payments to maturity for all notes are as follows (in thousands):

<u>Capital Projects and Debt Service Funds</u>			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ -	\$ -	\$ -
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015 - 2019	-	-	-
2020 - 2024	-	-	-
2025 - 2029	-	-	-
2030 - 2034	-	-	-
2035 - 2036	<u>3,284</u>	<u>2,762</u>	<u>6,046</u>
Totals	<u>\$ 3,284</u>	<u>\$ 2,762</u>	<u>\$ 6,046</u>

<u>Low- and Moderate-Income Housing Fund</u>			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ -	\$ -	\$ -
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015 - 2019	-	-	-
2020 - 2022	<u>1,015</u>	<u>880</u>	<u>1,895</u>
Totals	<u>\$ 1,015</u>	<u>\$ 880</u>	<u>\$ 1,895</u>

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

Tax Increment Pass-Through Obligation

The Agency has an agreement to pay the County 49.44 percent of tax increment generated by the Los Altos Project Area, payable commencing in 2020 at a simple interest rate of 3.75 percent. The tax increment due to the County at September 30, 2009 totaled \$3,284,000.

Low- and Moderate-Income Housing Fund

In fiscal year 1992, the Fund entered into a loan agreement totaling \$1,015,000 with the State of California Department of Housing and Community Development (State) for construction and rehabilitation of the Fund property. The project was completed in fiscal year 1993. Interest on the loan accrues from the date the funds were disbursed by the State at an annual simple interest rate of 3 percent, with the interest payment due within 60 days of fiscal year-end if sufficient funds are available. The Fund made an interest payment of \$14,108 in fiscal year 1997. The principal and any unpaid interest are due in January 2022. As of September 30, 2009, the entire amount remains payable to the State.

Note 10 – Other Assets

Other assets depicted in the Capital Projects/Debt Service Fund include the following at September 30, 2009 (in thousands):

Prepaid rent for the IDM structure	1,658
Deposits with Superior Court	1,027
Deposits with State Treasurer's Office	1,232
Other	19
	<hr/>
Total Other Assets	<u>\$ 3,936</u>

Note 11 – Low- and Moderate-Income Housing Set-Aside

Community Redevelopment Law requires redevelopment agencies to set aside 20 percent of their property tax increment to increase or improve the supply of low- and moderate-income housing in the community. Agencies must deposit the housing set-aside funds in a low- and moderate-income housing fund. The Agency deposits its housing set-aside with the City.

Effective January 1, 1986, the laws governing redevelopment were amended to include project areas created prior to 1977 into the low- and moderate-income housing set-aside program. However, the law allows pre-1977 projects to set aside less than 20 percent of tax increment revenue if the project area's obligations from programs, projects, and financial obligations existing prior to January 1, 1986 exceeded the tax increment revenue available. Beginning January 1, 1986, the portion of the set-aside not paid became indebtedness of the project area.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009

In fiscal year 1986, all Redevelopment Project Areas, except West Beach, qualified for reduced set-aside payments. In fiscal year 1988, only the Downtown Project Area qualified for a reduced payment but elected to recognize the amount as deferred rather than exempt. The Downtown Project Area qualified for and deferred a portion or the entire set-aside amount in fiscal years 1989 through 2002. Amendments in 1989 to the State Health and Safety Code Section 33334.6 (g) required redevelopment agencies to treat shortfalls in fiscal years 1986 and 1987 as deficits in the low- and moderate-income housing fund. As a result, in fiscal year 1995, the Agency recorded an additional \$1,821,000 as a liability in the City's Housing Development Fund; this amount was equal to the fiscal years 1986 and 1987 Downtown Project Area set-aside.

The deferred debt was previously accounted for as a current liability because it was payable from any excess funds that might have become available. However, it has been determined that projections of tax increment revenues in the immediate future made it unlikely that payments would begin soon. As a result, the Agency has determined it necessary to account for the deferred set-aside as a long-term liability beginning in fiscal year 1996. With the implementation of GASB Statement No. 34, the deferred set-aside of \$16,361,000 for the Downtown Project Area has been reclassified from the General Long-Term Debt Account Group to Advances from the City (see note 6). Effective October 1, 2004, the Agency changed its method of accounting for advances from the City based on additional guidance issued by the GASB. The Agency now records its debt owed to the City only in its government-wide financial statements. The Agency has adopted a "Downtown Project Area Housing Fund Deficit Reduction Plan" Resolution RA 21-95, which calls for an analysis of available tax increment and existing obligations beginning in 2010, and every two years thereafter, until reduction of the deferred debt is found feasible, and commences.

During fiscal year 2009, all seven Redevelopment Project Areas paid a full 20 percent of their tax increment revenue to the Housing Development Fund and no Project Area deferred a low- and moderate-income housing set-aside payment.

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

The Agency deposits set-aside funds into the Low- and Moderate-Income Housing Fund (Housing Fund). The following table shows the amount deferred from prior years, the current fiscal year's 20 percent set-aside requirement, the current fiscal year's payment, and the total amount not yet paid to the City's Housing Fund at September 30, 2009, for each Project Area (in thousands):

Project Area	Advances from Housing Fund October 1, 2008	Current Year 20% Set Aside	Current Year Payment to Low- and Moderate-Income Housing Fund	Advances from Low- and Moderate-Income Housing Fund September 30, 2009
Downtown	\$ 16,361	\$ 4,621	\$ (4,621)	\$ 16,361
West Beach	-	389	(389)	-
West Long Beach Industrial	-	2,881	(2,881)	-
Poly High	-	165	(165)	-
Los Altos	-	156	(156)	-
Central Long Beach	-	2,311	(2,311)	-
North Long Beach	-	12,668	(12,668)	-
Total	\$ 16,361	\$ 23,191	\$ (23,191)	\$ 16,361

Note 12 – Transfers from/to the City of Long Beach

For the fiscal year ended September 30, 2009, the City transferred \$5,314,000 to the Agency: \$920,000 from Housing Development Fund to the Central Long Beach Project Area for project development, \$3,326,000 for amortization payment on the 2005 Housing Bonds, and \$1,068,000 for the return of surplus funds from the Business Assistance Program.

During the fiscal year ended September 30, 2009, the Agency transferred \$6,140,000 to the City. The funds transferred were as follows (in thousands):

Transfers to	Amount
Business Assistance Program	\$ 700
Tidelands Operating Fund	518
General Fund	2,709
Housing Development Fund	2,000
Development Services, Special Revenue Fund	213
Total transfers to the City	\$ 6,140

The Agency transferred \$700,000 to the City for the support and administration of the business loan program for the West Long Beach Industrial, Central Long Beach, and North Long Beach Project Areas.

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

The Agency transferred \$518,000 to the Tidelands Fund in fiscal year 2009 to supplement the debt service of the bonds issued for the construction of an energy plant at the Convention Center.

The Agency transferred \$2,709,000 to the General Fund: \$828,000 for the CityPlace Garage debt service and \$1,881,000 for the return of transient occupancy tax previously allocated to the Agency.

The Agency transferred \$2,000,000 of 2005 Housing Bond proceeds to the Housing Development Fund for various projects.

The Agency transferred \$213,000 to the Special Revenue Fund for the General Plan Development.

Any redevelopment project area adopted after 1994 is required to share 20 percent of its tax increment with the taxing agencies affected by the adoption of the project area including city governments. As a result, the Central Long Beach and North Long Beach Project Areas paid \$1,102,000 and \$2,875,000, respectively, to the City.

In addition, an amendment to Section 33333.6 of the Health and Safety Code took effect on January 1, 2002, authorizing redevelopment agencies to eliminate the time limit for incurring indebtedness; if this time limit is eliminated for a project area, that project area must commence statutory pass-through payments one year following the year its time limit for incurring indebtedness would have otherwise have been reached. On November 11, 2003, the Long Beach City Council adopted ordinances amending the Redevelopment Plans for the West Beach, Poly High, and West Long Beach Industrial Project Areas to eliminate their time limits for incurring indebtedness. Fiscal year 2009 is the fifth year these project areas are required to make statutory pass-through payments. The Poly High, West Beach, and West Long Beach Industrial Redevelopment Project Areas paid \$27,000, \$45,000, and \$308,000, respectively, to the City.

These payments are part of the pass-through charges expenditure category of \$18,306,000 under the Debt Service Fund in the combined statement of revenues, expenditures, and changes in fund balance. The remaining balance of \$13,949,000 pass-through charges relate to money due to agencies other than the City.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009

Note 13 – Land Held for Resale

The Agency owns various parcels of land located within its various project areas. These properties have been recorded at the lower of cost or estimated fair market value, excluding demolition and relocation costs. Due to the potential long-term nature of these assets, the Agency has reserved fund balance for land held for resale. At September 30, 2009, the Agency had the following amount of land held for resale in each project area (in thousands):

Project Area	Value at Lower of Cost or Market Value	
	Capital Projects Funds	Low- and Moderate-Income Housing Fund
Downtown	\$ 27,623	\$ -
West Long Beach Industrial	8,940	-
Poly High	2,203	-
Central Long Beach	62,223	6,644
North Long Beach	76,375	-
Total	<u>\$ 177,364</u>	<u>\$ 6,644</u>

Note 14 – Eliminations and Reclassifications of Interproject Loans

In prior years, interproject loans were recorded to allow one project area to invest excess cash in another project area. This practice is no longer used by the Agency. Existing loans are repayable by the project area if and when sufficient revenues for repayment are available or as provided for under the applicable loan agreement. The principal amount of the loan accrues interest at the various interest rates specified in the corresponding loan agreements.

The following schedule presents interproject loans outstanding as of September 30, 2009 (in thousands):

From Project	To				
	West Beach	Downtown	Los Altos	Central LB	Total
West Long Beach Industrial	\$ 328	\$ 1,054	\$ 2,234	\$ 2,340	\$ 5,956
Total	<u>\$ 328</u>	<u>\$ 1,054</u>	<u>\$ 2,234</u>	<u>\$ 2,340</u>	<u>\$ 5,956</u>

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

Advances between redevelopment project areas are as follows (in thousands):

	<u>Original</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Outstanding</u>
<p>In June 1995, the West Long Beach Industrial and Los Altos Project Areas entered into a promissory note and loan agreement for the West Long Beach Industrial Project Area to advance funds on an as needed basis to meet Los Altos acquisition and relocation expenses. The indebtedness accrued interest at a rate equal to that earned by the City Treasurer on the City of Long Beach pooled cash. The sales tax allocated to the Los Altos Project Area by the City of Long Beach and any surplus tax increment from the project are pledged to the West Long Beach Industrial Project Area loan repayment. There have been enough funds available to pay the accrued interest on the loan.</p>	12,700	2,234	-	2,234
<p>In July 1995, a promissory note and loan agreement was entered into by the West Long Beach Industrial Project Area and Poly High, West Beach, Downtown, and Central Long Beach Project Areas for the West Long Beach Industrial Project Area to advance for contributions to the development of the Long Beach Unified School District Transportation Facility. The indebtedness accrued interest at a rate equal to that which accrues on the Tax Anticipation Notes of the City of Long Beach. Repayment of the indebtedness will be made as future tax increments become available. However, in June 2002, the advance to Poly High Project Area was repaid from tax allocation bond proceeds.</p>	<u>2,626</u>	<u>2,571</u>	<u>1,151</u>	<u>3,722</u>
Totals	<u>\$ 15,326</u>	<u>\$ 4,805</u>	<u>\$ 1,151</u>	<u>\$ 5,956</u>

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009**

Note 15 – Long-term Receivables, Reserved Fund Balance, and Deferred Revenue

In the accompanying fund financial statements, long-term receivables are offset by reserved fund balance-other or deferred revenue. The table below presents the detail components of the Agency’s and the Low- and Moderate-Income Housing Fund’s long-term receivables and corresponding offset accounts at September 30, 2009 (in thousands):

Governmental Funds:

Description	Capital Projects/Debt Service Fund			Low- and Moderate-Income Housing Fund - Deferred Revenue
	Long-term Receivables	Reserved Fund Balance- Long-term Receivables	Deferred Revenue	
Loans receivable:				
Blk M	\$ 35	\$ 35	\$ -	\$ -
Olson, Downtown Promenade Land Sale	1,352	-	1,352	-
Delinquent Tax Los Angeles County	24	24	-	-
A & E Amador	30	30	-	-
Museum of Latin American Art-Property acquisition	125	-	125	-
The Garage Theatre-Building improvement	20	-	20	-
Low- and moderate-income housing loans	-	-	-	37,392
Total Long-Term Receivables	\$ 1,586	89	1,497	37,392
Additional components:				
Prepaid rent for the IDM structure, non-current	-	1,623	-	-
Accounts receivable-Early payment/set-up	-	-	7	-
Brownfields Clean-up revolving loan fund	-	-	28	-
Advance to City for Aquarium of the Pacific debt service	-	24,488	-	-
Property tax increment receivable	-	-	90,683	-
Cash-Deposits from contractors/developers	-	-	383	15
Total Reserved/Deferred Revenues	\$ 26,200	\$ 26,200	\$ 92,598	\$ 37,407

Note 16 – Other Reserved Fund Balances

Low- and Moderate-Income Housing Fund

At September 30, 2009, the reserved fund balance of \$61,000 has been accumulated for operating and maintenance reserves required under the Regulatory Agreement of the promissory note with the State for \$1,015,000.

Note 17 – Commitments and Contingencies

Litigation

The Agency is subject to claims and lawsuits arising from the normal course of business. Representatives of the City Attorney’s Office routinely evaluate such claims. In the event of litigation, the Agency’s management may make provision for probable losses if deemed appropriate on advice of legal counsel. In cases where such provision for damages would be considered necessary, appropriate amounts would be reflected in the accompanying combined financial statements.

As part of the state budget trailer bill (ABX4 26), passed in July 2009 as part of the fiscal year 2009/10 state budget, the State placed a \$2.05 billion statewide levy on redevelopment agencies. In October of 2009, the California Redevelopment Associations (CRA), on behalf

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2009

of redevelopment agencies statewide, filed a lawsuit challenging the constitutionality of the action and seeking to prevent the State from taking redevelopment funds for non-redevelopment purposes in the form-mandated payments to the Supplemental Educational Revenue Augmentation Fund (SERAF). If found to be constitutional, the Redevelopment Agency of the City of Long Beach would be required to remit \$29,516,137 to SERAF.

In 2008, the State attempted a similar takeaway that was found to be unconstitutional. The same judge who rendered the decision in favor of the CRA in the 2008 Educational Revenue Augmentation Fund (ERAF) lawsuit is hearing the current lawsuit. Based on the strong similarities between the 2008 ERAF and the current SERAF lawsuit, the Agency has determined that it is probable the CRA will prevail and no liability for this contested mandate has been recorded at September 30, 2009.

Intentionally Left Blank

Supplementary Financial Information

Intentionally Left Blank

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combining Balance Sheet - Governmental Funds
Capital Projects Funds by Project Area
September 30, 2009
(In Thousands)

	Downtown Project Area	West Beach Project Area	West Long Beach Industrial Project Area
ASSETS			
Pooled cash and investments	\$ 7,391	\$ 304	\$ 13,139
Short-term investment non-performing	33	3	42
Accounts receivable	10	-	-
Receivables from other governments	594	-	-
Land held for resale	27,623	-	8,940
Other assets	1,658	-	3
Long-term receivables	1,411	-	30
Interproject loan and interest receivable	-	-	5,956
	<u>38,720</u>	<u>307</u>	<u>28,110</u>
TOTAL ASSETS	\$ 38,720	\$ 307	\$ 28,110
LIABILITIES			
Voucher payables	\$ 587	\$ -	\$ 1,143
Accounts payable	109	-	25
Accrued wages payable	35	3	27
Accrued claims and judgments	750	-	-
Collections held in trust	212	-	60
Deferred revenues	1,578	-	-
Due to other funds-current	16	2	13
Interproject loan and interest payable	1,054	328	-
	<u>4,341</u>	<u>333</u>	<u>1,268</u>
TOTAL LIABILITIES	4,341	333	1,268
FUND BALANCE (ACCUMULATED DEFICIT)			
Reserved:			
Land held for resale	27,623	-	8,940
Interproject loans	(1,054)	(328)	5,956
Encumbrances	308	-	2,270
Long-term receivables	1,682	-	30
Unreserved:			
Designated for future projects	5,820	302	9,646
TOTAL FUND BALANCE	<u>34,379</u>	<u>(26)</u>	<u>26,842</u>
(ACCUMULATED DEFICIT)			
TOTAL LIABILITIES, FUND BALANCE	\$ 38,720	\$ 307	\$ 28,110

See accompanying independent auditors' report.

Poly High Project Area	Project Income Fund	Los Altos Project Area	Central Long Beach Project Area	North Long Beach Project Area	Total
\$ 116	\$ 3,815	\$ 5	\$ 2,590	\$ 1,445	\$ 28,805
1	7	1	3	21	111
-	-	-	597	3	610
-	-	-	-	-	594
2,203	-	-	62,223	76,375	177,364
-	-	-	1,042	1,233	3,936
-	-	-	145	-	1,586
-	-	-	-	-	5,956
<u>\$ 2,320</u>	<u>\$ 3,822</u>	<u>\$ 6</u>	<u>\$ 66,600</u>	<u>\$ 79,077</u>	<u>\$ 218,962</u>
\$ 101	\$ -	\$ -	\$ 1,888	\$ 1,507	\$ 5,226
-	-	-	122	135	391
8	1	3	39	50	166
-	-	-	-	-	750
-	1	-	158	28	459
-	-	-	180	150	1,908
3	1	1	19	23	78
-	-	2,234	2,340	-	5,956
<u>112</u>	<u>3</u>	<u>2,238</u>	<u>4,746</u>	<u>1,893</u>	<u>14,934</u>
2,203	-	-	62,223	76,375	177,364
-	-	(2,234)	(2,340)	-	-
-	-	4	1,376	955	4,913
-	-	-	-	-	1,712
<u>5</u>	<u>3,819</u>	<u>(2)</u>	<u>595</u>	<u>(146)</u>	<u>20,039</u>
<u>2,208</u>	<u>3,819</u>	<u>(2,232)</u>	<u>61,854</u>	<u>77,184</u>	<u>204,028</u>
<u>\$ 2,320</u>	<u>\$ 3,822</u>	<u>\$ 6</u>	<u>\$ 66,600</u>	<u>\$ 79,077</u>	<u>\$ 218,962</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combining Balance Sheet - Governmental Funds
Debt Service Funds by Project Area
September 30, 2009
(In Thousands)

	Downtown Project Area	West Beach Project Area	West Long Beach Industrial Project Area	Poly High Project Area
ASSETS				
Pooled cash and investments	\$ 10,130	\$ 1,244	\$ 5,619	\$ 570
Non-pooled cash and investments	186	9	605	9
Interest receivable on investments	23	2	7	1
Taxes receivable	18,018	1,625	10,590	673
Accounts and loans receivable	-	-	-	-
Investments	8,050	753	2,528	208
Advances to the City of Long Beach	-	-	-	-
TOTAL ASSETS	\$ 36,407	\$ 3,633	\$ 19,349	\$ 1,461
LIABILITIES				
Voucher payables	\$ -	\$ -	\$ 4	\$ -
Accounts payable	-	10	46	4
Deferred revenues	18,018	1,625	10,394	662
TOTAL LIABILITIES	18,018	1,635	10,444	666
FUND BALANCE				
Reserved:				
Future projects	32	-	-	-
Debt Service	18,357	1,998	8,905	795
Long-term receivables	-	-	-	-
TOTAL FUND BALANCE	18,389	1,998	8,905	795
TOTAL LIABILITIES, FUND BALANCE	\$ 36,407	\$ 3,633	\$ 19,349	\$ 1,461

See accompanying independent auditors' report

Project Income Fund	Los Altos Project Area	Central Long Beach Project Area	North Long Beach Project Area	Housing Fund	Total
\$ -	\$ 273	\$ 3,791	\$ 13,924	\$ 22	\$ 35,573
-	-	3,825	3,984	25,298	33,916
-	4	36	55	37	165
-	587	20,110	40,583	-	92,186
467	-	-	-	-	467
-	408	4,009	18,085	4,054	38,095
<u>24,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,488</u>
<u>\$ 24,955</u>	<u>\$ 1,272</u>	<u>\$ 31,771</u>	<u>\$ 76,631</u>	<u>\$ 29,411</u>	<u>\$ 224,890</u>
\$ -	\$ 5	\$ -	\$ -	\$ -	\$ 9
-	-	262	676	-	998
<u>7</u>	<u>587</u>	<u>20,110</u>	<u>39,287</u>	<u>-</u>	<u>90,690</u>
<u>7</u>	<u>592</u>	<u>20,372</u>	<u>39,963</u>	<u>-</u>	<u>91,697</u>
-	-	3,692	3,819	25,186	32,729
460	680	7,707	32,849	4,225	75,976
<u>24,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,488</u>
<u>24,948</u>	<u>680</u>	<u>11,399</u>	<u>36,668</u>	<u>29,411</u>	<u>133,193</u>
<u>\$ 24,955</u>	<u>\$ 1,272</u>	<u>\$ 31,771</u>	<u>\$ 76,631</u>	<u>\$ 29,411</u>	<u>\$ 224,890</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combining Balance Sheet-Governmental Funds
Low- and Moderate-Income Housing Funds by Project Area
September 30, 2009
(In Thousands)

	Downtown Project Area	West Beach Project Area	West Long Beach Industrial Project Area
Assets			
Pooled cash and investments	\$ -	\$ -	\$ 15,617
Short-term investments - non-performing	-	-	21
Accounts receivable	-	-	-
Receivables-loan, long-term, net	-	-	-
Advances to the Housing Development Company	-	-	-
Advances to the City of Long Beach	-	-	-
Properties held for resale	-	-	-
Other assets	-	-	-
Total assets	\$ -	\$ -	\$ 15,638
Liabilities and Fund Balance			
Liabilities			
Vouchers/ accounts payable	\$ -	\$ -	\$ 589
Accrued wages payable	-	-	-
Deferred revenues	-	-	-
Deposits/collections held in trust	-	-	-
Due to other funds	-	-	-
Total liabilities	-	-	589
Fund balance			
Reserved:			
Replacement and operations	-	-	-
Properties held for resale	-	-	-
Long-term advances	-	-	-
Encumbrances	-	-	-
Unreserved/designated - future projects	-	-	15,049
Total fund balance	-	-	15,049
Total liabilities and fund balance	\$ -	\$ -	\$ 15,638

See accompanying independent auditors' report.

Poly High Project Area	Los Altos Project Area	Central Long Beach Project Area	North Long Beach Project Area	Totals
\$ -	\$ -	\$ 1,593	\$ 25,855	\$ 43,065
-	-	21	42	84
-	-	6	-	6
-	-	36,236	1,156	37,392
-	-	-	1,440	1,440
-	-	856	-	856
-	-	6,644	-	6,644
-	-	1	-	1
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,357</u>	<u>\$ 28,493</u>	<u>\$ 89,488</u>
\$ -	\$ -	\$ 1,178	\$ 589	\$ 2,356
-	-	85	-	85
-	-	36,251	1,156	37,407
-	-	17	-	17
-	-	40	-	40
<u>-</u>	<u>-</u>	<u>37,571</u>	<u>1,745</u>	<u>39,905</u>
-	-	-	61	61
-	-	6,644	-	6,644
-	-	856	1,440	2,296
-	-	1	-	1
-	-	285	25,247	40,581
-	-	7,786	26,748	49,583
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,357</u>	<u>\$ 28,493</u>	<u>\$ 89,488</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Capital Projects Funds by Project Area
Year Ended September 30, 2009
(In Thousands)

	Downtown Project Area	West Beach Project Area	West Long Beach Industrial Project Area
REVENUES			
Interest income	\$ 206	\$ 9	\$ 295
Rental income	178	-	12
Other income	703	-	6
TOTAL REVENUES	<u>1,087</u>	<u>9</u>	<u>313</u>
EXPENDITURES			
Administrative costs	2,025	125	1,246
Professional services	192	-	85
Planning, survey and design	557	62	90
Acquisition expense	155	-	100
Rental income	956	-	89
Relocation costs	3	-	45
Relocation payments	50	-	400
Site clearance costs	9	-	60
Project improvement/construction costs	3,184	585	1,902
Disposal costs	-	-	-
Loss on sale of land held for resale	641	-	-
Rehabilitation grants and loans	41	-	519
Furniture, fixture and equipment	1	-	1
Pass-through charges	-	-	-
Debt service payments:			
U.S., State and other long-term debts—principal	-	-	-
City/County advances and loans - principal	-	-	-
Interest	558	4	38
TOTAL EXPENDITURES	<u>8,372</u>	<u>776</u>	<u>4,575</u>
Excess of revenues over/(under) expenditures	<u>(7,285)</u>	<u>(767)</u>	<u>(4,262)</u>
OTHER FINANCING SOURCES AND (USES)			
Proceeds from issuance of long-term debt	-	-	-
Advances between project areas	12,937	(6)	(12,783)
Land transfers	-	-	-
Transfers from Debt Service	8,618	1,021	3,513
Transfers from/(to) the other funds, net	-	-	(34)
Transfers from the City of Long Beach	-	-	-
Transfers to the City of Long Beach	(855)	-	(253)
TOTAL OTHER FINANCING SOURCES (USES)	<u>20,700</u>	<u>1,015</u>	<u>(9,557)</u>
Net change in fund balances	13,415	248	(13,819)
Fund balance (accumulated deficit) - October 1	20,964	(274)	40,661
FUND BALANCE (ACCUMULATED DEFICIT) - SEPTEMBER 30	<u>\$ 34,379</u>	<u>\$ (26)</u>	<u>\$ 26,842</u>

See accompanying independent auditors' report.

Poly High Project Area	Project Income Fund	Los Altos Project Area	Central Long Beach Project Area	North Long Beach Project Area	Total
\$ 4	\$ 58	\$ 1	\$ 103	\$ 181	\$ 857
-	-	-	434	217	841
-	-	-	1,239	4	1,952
<u>4</u>	<u>58</u>	<u>1</u>	<u>1,776</u>	<u>402</u>	<u>3,650</u>
240	32	132	1,933	2,683	8,416
-	-	-	257	226	760
14	-	-	966	1,213	2,902
-	-	-	401	374	1,030
12	-	-	240	670	1,967
-	-	-	25	95	168
-	-	-	136	1,632	2,218
3	-	-	229	399	700
89	-	140	3,714	4,429	14,043
102	-	-	694	11	807
-	-	-	750	-	1,391
28	-	-	474	966	2,028
-	-	-	1	5	8
-	-	311	-	-	311
-	-	-	-	-	-
-	-	-	2,484	-	2,484
1	-	-	62	80	743
<u>489</u>	<u>32</u>	<u>583</u>	<u>12,366</u>	<u>12,783</u>	<u>39,976</u>
<u>(485)</u>	<u>26</u>	<u>(582)</u>	<u>(10,590)</u>	<u>(12,381)</u>	<u>(36,326)</u>
-	-	311	1,289	16	1,616
-	-	(103)	(45)	-	-
-	-	-	(1,502)	-	(1,502)
253	-	633	12,264	25,982	52,284
195	(166)	5	-	-	-
-	1,067	-	920	-	1,987
-	-	-	(152)	(481)	(1,741)
<u>448</u>	<u>901</u>	<u>846</u>	<u>12,774</u>	<u>25,517</u>	<u>52,644</u>
(37)	927	264	2,184	13,136	16,318
<u>2,245</u>	<u>2,892</u>	<u>(2,496)</u>	<u>59,670</u>	<u>64,048</u>	<u>187,710</u>
<u>\$ 2,208</u>	<u>\$ 3,819</u>	<u>\$ (2,232)</u>	<u>\$ 61,854</u>	<u>\$ 77,184</u>	<u>\$ 204,028</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Debt Service Funds by Project Area
Year Ended September 30, 2009
(In Thousands)

	Downtown Project Area	West Beach Project Area	West Long Beach Industrial Project Area	Poly High Project Area
REVENUES				
Property tax increment	\$ 18,485	\$ 1,557	\$ 11,523	\$ 658
Transient occupancy Tax	-	-	-	-
Interest income	321	26	116	9
Other income	-	-	-	-
TOTAL REVENUES	<u>18,806</u>	<u>1,583</u>	<u>11,639</u>	<u>667</u>
EXPENDITURES				
Administrative costs	336	30	196	15
Professional services	3	-	1	-
Pass-through charges	-	150	1,810	108
Debt service payments:				
Bonds and notes payable—principal	3,104	505	1,220	181
Interest	4,211	329	1,855	37
Fiscal agent fees	10	4	8	3
TOTAL EXPENDITURES	<u>7,664</u>	<u>1,018</u>	<u>5,090</u>	<u>344</u>
Excess of revenues over/(under) expenditures	<u>11,142</u>	<u>565</u>	<u>6,549</u>	<u>323</u>
OTHER FINANCING SOURCES AND (USES)				
Operating transfers to Capital Projects	(8,618)	(1,021)	(3,513)	(253)
Operating transfers from/(to) the other funds, net	17	-	-	-
Operating transfers from the City of Long Beach	-	-	-	-
Operating transfers to the City of Long Beach	-	-	(518)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(8,601)</u>	<u>(1,021)</u>	<u>(4,031)</u>	<u>(253)</u>
Net change in fund balances	2,541	(456)	2,518	70
Fund balance (accumulated deficit) - October 1	15,848	2,454	6,387	725
FUND BALANCE (ACCUMULATED DEFICIT) - SEPTEMBER 30	<u>\$ 18,389</u>	<u>\$ 1,998</u>	<u>\$ 8,905</u>	<u>\$ 795</u>

See accompanying independents auditors' report.

Project Income Fund	Los Altos Project Area	Central Long Beach Project Area	North Long Beach Project Area	Housing Fund	Total
\$ -	\$ 623	\$ 20,744	\$ 39,172	\$ -	\$ 92,762
3,495	-	-	-	-	3,495
23	27	243	680	202	1,647
-	362	-	-	-	362
<u>3,518</u>	<u>1,012</u>	<u>20,987</u>	<u>39,852</u>	<u>202</u>	<u>98,266</u>
-	13	366	783	-	1,739
10	-	-	-	-	14
-	30	4,611	11,597	-	18,306
-	275	745	1,922	720	8,672
-	131	2,768	4,879	2,798	17,008
-	1	6	25	29	86
<u>10</u>	<u>450</u>	<u>8,496</u>	<u>19,206</u>	<u>3,547</u>	<u>45,825</u>
<u>3,508</u>	<u>562</u>	<u>12,491</u>	<u>20,646</u>	<u>(3,345)</u>	<u>52,441</u>
-	(633)	(12,264)	(25,982)	-	(52,284)
-	-	-	(17)	-	-
-	-	-	-	3,327	3,327
<u>(1,881)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(4,399)</u>
<u>(1,881)</u>	<u>(633)</u>	<u>(12,264)</u>	<u>(25,999)</u>	<u>1,327</u>	<u>(53,356)</u>
1,627	(71)	227	(5,353)	(2,018)	(915)
<u>23,321</u>	<u>751</u>	<u>11,172</u>	<u>42,021</u>	<u>31,429</u>	<u>134,108</u>
<u>\$ 24,948</u>	<u>\$ 680</u>	<u>\$ 11,399</u>	<u>\$ 36,668</u>	<u>\$ 29,411</u>	<u>\$ 133,193</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Low- and Moderate-Income Housing Funds by Project Area
September 30, 2009
(In Thousands)

	Downtown Project Area	West Beach Project Area	West Long Beach Industrial Project Area
REVENUES			
Property tax increment - 20% set-aside	\$ 4,621	\$ 389	\$ 2,881
Interest income	152	-	95
Rental income	-	-	-
Gain on sale of land held for resale	-	-	-
Other income	-	-	-
TOTAL REVENUES	<u>4,773</u>	<u>389</u>	<u>2,976</u>
EXPENDITURES			
Administrative costs	614	-	383
Acquisition costs	-	-	-
Professional services	389	-	-
Operation of acquired property	421	-	-
Project improvement/construction costs	80	-	50
Disposal costs	-	-	-
Interdepartmental charges	184	15	115
Rehabilitation grants and loans	3,085	374	-
TOTAL EXPENDITURES	<u>4,773</u>	<u>389</u>	<u>548</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>2,428</u>
OTHER FINANCING (USES)			
Land transfers	-	-	-
Transfers to the City	-	-	-
Transfers to the Redevelopment Agency	-	-	-
TOTAL OTHER FINANCING (USES)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>2,428</u>
Fund balance—October 1	<u>-</u>	<u>-</u>	<u>12,621</u>
FUND BALANCE—SEPTEMBER 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,049</u></u>

See accompanying independent auditors' report.

<u>Poly High Project Area</u>	<u>Los Altos Project Area</u>	<u>Central Long Beach Project Area</u>	<u>North Long Beach Project Area</u>	<u>Total</u>
\$ 165	\$ 156	\$ 2,311	\$ 12,668	\$ 23,191
-	-	176	317	740
-	-	107	-	107
-	-	25	-	25
-	-	247	-	247
<u>165</u>	<u>156</u>	<u>2,866</u>	<u>12,985</u>	<u>24,310</u>
-	-	308	1,684	2,989
-	-	1	-	1
-	-	-	-	389
-	-	-	-	421
-	-	39	219	388
-	-	4	-	4
7	6	91	504	922
158	150	330	2,620	6,717
<u>165</u>	<u>156</u>	<u>773</u>	<u>5,027</u>	<u>11,831</u>
-	-	2,093	7,958	12,479
-	-	(1,003)	-	(1,003)
-	-	(90)	-	(90)
-	-	(1,493)	(1,937)	(3,430)
-	-	(2,586)	(1,937)	(4,523)
-	-	(493)	6,021	7,956
-	-	8,279	20,727	41,627
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,786</u>	<u>\$ 26,748</u>	<u>\$ 49,583</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) Capital Projects Fund
Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Interest income	\$ 854	\$ 854	\$ 857	\$ 3
Rental income	(695)	(695)	841	1,536
Land sale proceeds	(8,727)	(8,727)	50	8,777
Other income	2,543	2,543	1,952	(591)
TOTAL REVENUES	(6,025)	(6,025)	3,700	9,725
EXPENDITURES				
Administration costs	14,205	13,428	13,329	99
Professional services	6,405	6,405	760	5,645
Planning survey and design	188	188	2,902	(2,714)
Acquisition costs	213,641	213,097	1,030	212,067
Operation of acquired property	(2,128)	(2,128)	1,967	(4,095)
Relocation costs	2,006	2,006	168	1,838
Relocation payments	(12,455)	(12,455)	2,218	(14,673)
Site clearance costs	(1,501)	(1,501)	700	(2,201)
Project improvement/construction costs	41,592	40,566	14,043	26,523
Disposal costs	(1,923)	(1,923)	807	(2,730)
Land purchases	(129,210)	(126,708)	18,372	(145,080)
Rehabilitation grants and loans	4,680	4,680	2,028	2,652
Furniture, fixture, and equipment	(393)	(393)	8	(401)
Pass-through charges	(395)	(395)	311	(706)
Debt service payments:				
U.S., State, and other long-term debt principal	(1,597)	(1,597)	-	(1,597)
City/County advances and loan principal	2,758	2,758	2,484	274
Interest	(390)	(390)	743	(1,133)
TOTAL EXPENDITURES	135,483	135,638	61,870	73,768
Excess (Deficiency) of Revenues over (under) Expenditures	(141,508)	(141,663)	(58,170)	83,493
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	3,655	3,655	1,616	(2,039)
Transfers in (out), net	(105,633)	(105,633)	52,284	157,917
Interagency payments	28,881	28,881	-	(28,881)
Transfer to the City	3,671	4,271	(1,741)	(6,012)
Transfer from the City	(6,510)	(3,653)	1,987	5,640
TOTAL OTHER FINANCING SOURCES (USES)	(75,936)	(72,479)	54,146	126,625
Net change in fund balances	(217,444)	(214,142)	(4,024)	210,118
Fund balance—October 1, budgetary basis	24,650	24,650	24,650	-
Encumbrances—beginning of year	1,125	1,125	1,125	-
FUND BALANCE (DEFICIT)—SEPTEMBER 30, BUDGETARY BASIS	\$ (191,669)	\$ (188,367)	\$ 21,751	\$ 210,118

See accompanying independent auditors' report and supplementary note on page 74.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis) Debt Service Fund
Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax increment	\$ 74,681	\$ 74,681	\$ 92,762	\$ 18,081
Transient occupancy tax	4,480	4,480	3,495	(985)
Interest income	3,588	3,588	1,647	(1,941)
Other income	605	605	362	(243)
TOTAL REVENUES	83,354	83,354	98,266	14,912
EXPENDITURES				
Administration costs	447	447	1,739	(1,292)
Professional services	-	-	14	(14)
Operation of acquired property	1,606	1,606	-	1,606
Project improvement/construction costs	-	906	-	906
Pass-through charges	11,828	14,661	18,306	(3,645)
Debt service payments:				
Bonds and notes payable-principal	8,621	8,621	8,672	(51)
Interest	18,321	18,321	17,008	1,313
Fiscal agent fees	225	225	86	139
TOTAL EXPENDITURES	41,048	44,787	45,825	(1,038)
Excess of Revenues over Expenditures	42,306	38,567	52,441	13,874
OTHER FINANCING SOURCES (USES)				
Transfers in (out), net	-	-	(52,284)	(52,284)
Transfer to the City	(13,649)	(13,649)	(4,399)	9,250
Transfer from the City	3,521	3,521	3,327	(194)
TOTAL OTHER FINANCING SOURCES (USES)	(10,128)	(10,128)	(53,356)	(43,228)
Net change in fund balances	32,178	28,439	(915)	(29,354)
Fund balance—October 1, budgetary basis	134,108	134,108	134,108	-
FUND BALANCE—SEPTEMBER 30, BUDGETARY BASIS	\$ 166,286	\$ 162,547	\$ 133,193	\$ (29,354)

See accompanying independent auditors' report and supplementary note on page 74.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis) Low- and Moderate-Income Housing Fund
Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual On Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Property tax increment - 20% set-aside	\$ 20,214	\$ 20,214	\$ 23,191	\$ 2,977
License and permits	20	20	-	(20)
Rental income	-	-	107	107
Interest income	1,721	1,761	740	(1,021)
Loan repayments-principal	525	47	76	29
Proceeds from the sale of land	-	-	215	215
Other	25	597	171	(426)
Total revenues	<u>22,505</u>	<u>22,639</u>	<u>24,500</u>	<u>1,861</u>
Expenditures:				
Administration costs	4,355	5,163	2,970	2,193
Acquisition costs	-	3	1	2
Relocation costs	-	23	-	23
Disposition costs	-	-	4	(4)
Professional services	7,755	7,923	389	7,534
Operation of acquired property	274	464	422	42
Low and moderate income housing loans/grants	50,472	44,391	6,717	37,674
Project improvement/construction costs	1,731	932	388	544
Interdepartmental charges	715	726	922	(196)
Land purchases	-	6	-	6
Property and other taxes	-	3	19	(16)
Debt service payments:				
Fiscal Agent Fees	14	14	-	14
Total expenditures	<u>65,316</u>	<u>59,648</u>	<u>11,832</u>	<u>47,816</u>
Excess of expenditures over (under) revenues	<u>(42,811)</u>	<u>(37,009)</u>	<u>12,668</u>	<u>49,677</u>
Other financing sources and (uses):				
Transfers (to)/from the Redevelopment Agency	(5,018)	(6,518)	(3,430)	3,088
Transfers (to)/from the Housing Development Company	(5,912)	(342)	-	342
Transfers (to)/from the City	52,268	42,338	(90)	(42,428)
Total other financing sources (uses)	<u>41,338</u>	<u>35,478</u>	<u>(3,520)</u>	<u>(38,998)</u>
Net change in fund balances	(1,473)	(1,531)	9,148	10,679
Fund balance- October 1, budgetary basis	33,698	33,698	33,698	-
Encumbrances, beginning of year	91	91	91	-
Encumbrances, beginning of year	<u>\$ 32,316</u>	<u>\$ 32,258</u>	<u>\$ 42,937</u>	<u>\$ 10,679</u>

See accompanying independent auditors' report and supplementary note on page 75.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
Downtown Project Area - Capital and Debt Service
Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property tax increment	\$ 15,015	\$ 15,015	\$ 18,485	\$ 3,470
Interest income	327	327	527	200
Rental income	307	307	178	(129)
Land sale proceeds	(2,397)	(2,397)	-	2,397
Other income	(449)	(449)	703	1,152
TOTAL REVENUES	12,803	12,803	19,893	7,090
EXPENDITURES				
Administration costs	1,256	1,210	2,669	(1,459)
Professional services	1,808	1,808	195	1,613
Planning survey and design	(164)	(164)	557	(721)
Acquisition costs	13,104	12,204	155	12,049
Operation of acquired property	2,340	2,340	956	1,384
Relocation costs	(236)	(236)	3	(239)
Relocation payments	(483)	(483)	50	(533)
Site clearance costs	97	97	9	88
Project improvement/construction costs	15,560	16,244	3,184	13,060
Disposal costs	(361)	(361)	-	(361)
Land purchases	(3,701)	(3,701)	-	(3,701)
Rehabilitation grants and loans	1	1	41	(40)
Furniture, fixture, and equipment	(393)	(393)	1	(394)
Pass-through charges	(60)	194	-	194
Debt service payments:				
Bonds and notes payable-principal	2,545	2,545	3,104	(559)
U.S., State, and other long-term debt principal	(1,705)	(1,705)	-	(1,705)
City/County advances and loan principal	550	550	-	550
Interest	4,431	4,431	4,789	(358)
Fiscal agent fees	83	83	10	73
TOTAL EXPENDITURES	34,672	34,664	15,723	18,941
Excess (Deficiency) of Revenues over (under) Expenditures	(21,869)	(21,861)	4,170	26,031
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	2,415	2,415	-	(2,415)
Transfers in (out), net	(12,399)	(12,399)	-	12,399
Interagency payments	4,673	4,673	12,974	8,301
Transfer to the City	803	803	(855)	(1,658)
Transfer from the City	1,000	1,000	-	(1,000)
TOTAL OTHER FINANCING SOURCES (USES)	(3,508)	(3,508)	12,119	15,627
Net change in fund balances	(25,377)	(25,369)	16,289	41,658
Fund balance—October 1, budgetary basis	8,219	8,219	8,219	-
Encumbrances—beginning of year	329	329	329	-
FUND BALANCE (DEFICIT)—SEPTEMBER 30, BUDGETARY BASIS	\$ (16,829)	\$ (16,821)	\$ 24,837	\$ 41,658

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
West Beach Project Area - Capital and Debt Service
Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property tax increment	\$ 1,300	\$ 1,300	\$ 1,557	\$ 257
Interest income	76	76	35	(41)
TOTAL REVENUES	1,376	1,376	1,592	216
EXPENDITURES				
Administration costs	116	115	155	(40)
Professional services	3	3	-	3
Planning survey and design	(67)	(67)	62	(129)
Operation of acquired property	-	-	-	-
Site clearance costs	(2)	(2)	-	(2)
Project improvement/construction costs	1,001	926	585	341
Pass-through charges	30	105	150	(45)
Debt service payments:				
Bonds and notes payable-principal	460	460	505	(45)
Interest	377	377	339	38
Fiscal agent fees	-	-	4	(4)
TOTAL EXPENDITURES	1,918	1,917	1,800	117
Excess (Deficiency) of Revenues over (under) Expenditures	(542)	(541)	(208)	333
OTHER FINANCING SOURCES (USES)				
Transfers in (out), net	(551)	(551)	-	551
TOTAL OTHER FINANCING SOURCES (USES)	(551)	(551)	-	551
Net change in fund balances	(1,093)	(1,092)	(208)	884
Fund balance—October 1, budgetary basis	2,180	2,180	2,180	-
FUND BALANCE—SEPTEMBER 30, BUDGETARY BASIS	\$ 1,087	\$ 1,088	\$ 1,972	\$ 884

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
West Long Beach Industrial Project Area - Capital and Debt Service
Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property tax increment	\$ 9,362	\$ 9,362	\$ 11,523	\$ 2,161
Interest income	1,548	1,548	585	(963)
Rental income	(13)	(13)	12	25
Land sale proceeds	(3,236)	(3,236)	-	3,236
Other income	(35)	(35)	6	41
TOTAL REVENUES	7,626	7,626	12,126	4,500
EXPENDITURES				
Administration costs	3,086	2,851	3,712	(861)
Professional services	55	55	86	(31)
Planning survey and design	(201)	(201)	90	(291)
Acquisition costs	7,985	7,985	100	7,885
Operation of acquired property	(5)	(5)	89	(94)
Relocation costs	2,152	2,152	45	2,107
Relocation payments	39	39	400	(361)
Site clearance costs	(132)	(132)	60	(192)
Project improvement/construction costs	10,874	10,738	1,902	8,836
Disposal costs	(63)	(63)	-	(63)
Land purchases	(3,382)	(3,382)	1,622	(5,004)
Rehabilitation grants and loans	(57)	(57)	519	(576)
Furniture, fixture, and equipment	-	-	1	(1)
Pass-through charges	1,006	1,697	1,810	(113)
Debt service payments:				
Bonds and notes payable-principal	1,096	1,096	1,220	(124)
Interest	2,039	2,039	1,893	146
Fiscal agent fees	3	3	8	(5)
TOTAL EXPENDITURES	24,495	24,815	13,557	11,258
Excess (Deficiency) of Revenues over (under) Expenditures	(16,869)	(17,189)	(1,431)	15,758
OTHER FINANCING SOURCES (USES)				
Transfers in (out), net	(11,260)	(11,260)	-	11,260
Interagency payments	4,911	4,911	(12,991)	(17,902)
Transfer to the City	(1,438)	(1,138)	(771)	367
Transfer from the City	419	419	-	(419)
TOTAL OTHER FINANCING SOURCES (USES)	(7,368)	(7,068)	(13,762)	(6,694)
Net change in fund balances	(24,237)	(24,257)	(15,193)	9,064
Fund balance—October 1, budgetary basis	39,704	39,704	39,704	-
Encumbrances—beginning of year	26	26	26	-
FUND BALANCE—SEPTEMBER 30, BUDGETARY BASIS	\$ 15,493	\$ 15,473	\$ 24,537	\$ 9,064

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
Poly High Project Area - Capital and Debt Service
Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property tax increment	\$ 530	\$ 530	\$ 658	\$ 128
Interest income	84	84	13	(71)
TOTAL REVENUES	614	614	671	57
EXPENDITURES				
Administration costs	99	98	255	(157)
Professional services	(1)	(1)	-	(1)
Planning survey and design	(38)	(38)	14	(52)
Acquisition costs	4,914	4,914	-	4,914
Operation of acquired property	(19)	(19)	12	(31)
Relocation costs	(7)	(7)	-	(7)
Relocation payments	(40)	(40)	-	(40)
Site clearance costs	(64)	(64)	3	(67)
Project improvement/construction costs	(60)	240	89	151
Disposal costs	(32)	(32)	102	(134)
Land purchases	(2,203)	(2,203)	-	(2,203)
Rehabilitation grants and loans	-	-	28	(28)
Pass-through charges	45	45	108	(63)
Debt service payments:				
Bonds and notes payable-principal	166	166	181	(15)
Interest	62	62	38	24
Fiscal agent fees	5	5	3	2
TOTAL EXPENDITURES	2,827	3,126	833	2,293
Excess (Deficiency) of Revenues over (under) Expenditures	(2,213)	(2,512)	(162)	2,350
OTHER FINANCING SOURCES (USES)				
Transfers in (out), net	(2,819)	(2,819)	-	2,819
Interagency payments	-	-	195	195
TOTAL OTHER FINANCING SOURCES (USES)	(2,819)	(2,819)	195	3,014
Net change in fund balances	(5,032)	(5,331)	33	5,364
Fund balance—October 1, budgetary basis	755	755	755	-
Encumbrances—beginning of year	12	12	12	-
FUND BALANCE (DEFICIT)—SEPTEMBER 30, BUDGETARY BASIS	\$ (4,265)	\$ (4,564)	\$ 800	\$ 5,364

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
Project Income - Capital and Debt Service
Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Transient occupancy tax	\$ 4,480	\$ 4,480	\$ 3,495	\$ (985)
Interest income	-	-	81	81
Rental income	5	5	-	(5)
TOTAL REVENUES	4,485	4,485	3,576	(909)
EXPENDITURES				
Administration costs	49	48	32	16
Professional services	-	-	10	(10)
Operation of acquired property	18	18	-	18
Project improvement/construction costs	14	14	-	14
TOTAL EXPENDITURES	81	80	42	38
Excess (Deficiency) of Revenues over (under) Expenditures	4,404	4,405	3,534	(871)
OTHER FINANCING SOURCES (USES)				
Transfers in (out), net	(11)	(11)	-	11
Interagency payments	(6,213)	(6,213)	(166)	6,047
Transfer to the City	(4,270)	(4,270)	(1,881)	2,389
Transfer from the City	-	-	1,067	1,067
TOTAL OTHER FINANCING SOURCES (USES)	(10,494)	(10,494)	(980)	9,514
Net change in fund balances	(6,090)	(6,089)	2,554	8,643
Fund balance—October 1, budgetary basis	26,213	26,213	26,213	-
FUND BALANCE—SEPTEMBER 30, BUDGETARY BASIS	<u>\$ 20,123</u>	<u>\$ 20,124</u>	<u>\$ 28,767</u>	<u>\$ 8,643</u>

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
Los Altos Project Area - Capital and Debt Service
Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property tax increment	\$ 456	\$ 456	\$ 623	\$ 167
Interest income	32	32	28	(4)
Other income	605	605	362	(243)
TOTAL REVENUES	1,093	1,093	1,013	(80)
EXPENDITURES				
Administration costs	122	120	148	(28)
Professional services	1	1	-	1
Operation of acquired property	15	15	-	15
Project improvement/construction costs	294	259	140	119
Pass-through charges	264	299	341	(42)
Debt service payments:				
Bonds and notes payable-principal	265	265	275	(10)
Interest	163	163	234	(71)
Fiscal agent fees	-	-	1	(1)
TOTAL EXPENDITURES	1,124	1,122	1,139	(17)
Excess (Deficiency) of Revenues over (under) Expenditures	(31)	(29)	(126)	(97)
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	288	288	311	23
Transfers in (out), net	(11)	(11)	-	11
Interagency payments	(605)	(605)	5	610
TOTAL OTHER FINANCING SOURCES (USES)	(328)	(328)	316	644
Net change in fund balances	(359)	(357)	190	547
Fund balance—October 1, budgetary basis	(1,745)	(1,745)	(1,745)	-
FUND BALANCE (DEFICIT)—SEPTEMBER 30, BUDGETARY BASIS	\$ (2,104)	\$ (2,102)	\$ (1,555)	\$ 547

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
Central Long Beach Project Area - Capital and Debt Service
Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property tax increment	\$ 16,588	\$ 16,588	\$ 20,744	\$ 4,156
Interest income	(93)	(93)	346	439
Rental income	(262)	(262)	434	696
Land sale proceeds	(957)	(957)	50	1,007
Other income	423	423	1,239	816
TOTAL REVENUES	15,699	15,699	22,813	7,114
EXPENDITURES				
Administration costs	1,489	1,299	3,676	(2,377)
Professional services	2,051	2,051	257	1,794
Planning survey and design	(425)	(425)	966	(1,391)
Acquisition costs	109,193	109,548	401	109,147
Operation of acquired property	(1,543)	(1,543)	240	(1,783)
Relocation costs	(2)	(2)	25	(27)
Relocation payments	(7,365)	(7,366)	136	(7,502)
Site clearance costs	(616)	(616)	229	(845)
Project improvement/construction costs	2,304	1,106	3,714	(2,608)
Disposal costs	(353)	(353)	694	(1,047)
Land purchases	(66,742)	(64,239)	3,770	(68,009)
Rehabilitation grants and loans	(431)	(431)	474	(905)
Furniture, fixture, and equipment	-	-	1	(1)
Pass-through charges	3,205	4,605	4,611	(6)
Debt service payments:				
Bonds and notes payable-principal	690	690	745	(55)
U.S., State, and other long-term debt principal	66	66	-	66
City/County advances and loan principal	2,208	2,208	2,484	(276)
Interest	3,199	3,199	2,875	324
Fiscal agent fees	16	16	6	10
TOTAL EXPENDITURES	46,944	49,813	25,304	24,509
Excess (Deficiency) of Revenues over (under) Expenditures	(31,245)	(34,114)	(2,491)	31,623
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	3,100	3,100	1,289	(1,811)
Transfers in (out), net	(56,712)	(56,712)	-	56,712
Interagency payments	27,220	27,220	-	(27,220)
Transfer to the City	2,558	2,558	(152)	(2,710)
Transfer from the City	(7,929)	(5,072)	920	5,992
TOTAL OTHER FINANCING SOURCES (USES)	(31,763)	(28,906)	2,057	30,963
Net change in fund balances	(63,008)	(63,020)	(434)	62,586
Fund balance—October 1, budgetary basis	9,749	9,749	9,749	-
Encumbrances—beginning of year	339	339	339	-
FUND BALANCE (DEFICIT)—SEPTEMBER 30, BUDGETARY BASIS	\$ (52,920)	\$ (52,932)	\$ 9,654	\$ 62,586

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
North Long Beach Project Area - Capital and Debt Service
Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property tax increment	\$ 31,430	\$ 31,430	\$ 39,172	\$ 7,742
Interest income	2,314	2,314	861	(1,453)
Rental income	(732)	(732)	217	949
Land sale proceeds	(2,137)	(2,137)	-	2,137
Other income	2,604	2,604	4	(2,600)
TOTAL REVENUES	33,479	33,479	40,254	6,775
EXPENDITURES				
Administration costs	8,435	8,134	4,421	3,713
Professional services	2,488	2,488	226	2,262
Planning survey and design	1,083	1,083	1,213	(130)
Acquisition costs	78,445	78,446	374	78,072
Operation of acquired property	(1,328)	(1,328)	670	(1,998)
Relocation costs	99	99	95	4
Relocation payments	(4,606)	(4,605)	1,632	(6,237)
Site clearance costs	(784)	(784)	399	(1,183)
Project improvement/construction costs	11,605	11,945	4,429	7,516
Disposal costs	(1,114)	(1,114)	11	(1,125)
Land purchases	(53,182)	(53,183)	12,980	(66,163)
Rehabilitation grants and loans	5,167	5,167	966	4,201
Furniture, fixture, and equipment	-	-	5	(5)
Pass-through charges	6,943	7,321	11,597	(4,276)
Debt service payments:				
Bonds and notes payable-principal	2,729	2,729	1,922	807
U.S., State, and other long-term debt principal	42	42	-	42
Interest	4,675	4,675	4,959	(284)
Fiscal agent fees	113	113	25	88
TOTAL EXPENDITURES	60,810	61,228	45,924	15,304
Excess (Deficiency) of Revenues over (under) Expenditures	(27,331)	(27,749)	(5,670)	22,079
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	(2,148)	(2,148)	16	2,164
Transfers in (out), net	(21,870)	(21,870)	-	21,870
Interagency payments	(1,105)	(1,105)	(17)	1,088
Transfer to the City	1,209	1,509	(481)	(1,990)
TOTAL OTHER FINANCING SOURCES (USES)	(23,914)	(23,614)	(482)	23,132
Net change in fund balances	(51,245)	(51,363)	(6,152)	45,211
Fund balance—October 1, budgetary basis	42,254	42,254	42,254	-
Encumbrances—beginning of year	419	419	419	-
FUND BALANCE (DEFICIT)—SEPTEMBER 30, BUDGETARY BASIS	\$ (8,572)	\$ (8,690)	\$ 36,521	\$ 45,211

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
Housing Fund - Debt Service
Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest income	\$ 154	\$ 154	\$ 202	\$ 48
TOTAL REVENUES	<u>154</u>	<u>154</u>	<u>202</u>	<u>48</u>
EXPENDITURES				
Debt service payments:				
Bonds and notes payable-principal	670	670	720	(50)
Interest	2,985	2,985	2,798	187
Fiscal agent fees	5	5	29	(24)
TOTAL EXPENDITURES	<u>3,660</u>	<u>3,660</u>	<u>3,547</u>	<u>113</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(3,506)</u>	<u>(3,506)</u>	<u>(3,345)</u>	<u>161</u>
OTHER FINANCING SOURCES (USES)				
Transfer to the City	(8,840)	(8,840)	(2,000)	6,840
Transfer from the City	3,521	3,521	3,327	(194)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,319)</u>	<u>(5,319)</u>	<u>1,327</u>	<u>6,646</u>
Net change in fund balances	(8,825)	(8,825)	(2,018)	6,807
Fund balance—October 1, budgetary basis	31,429	31,429	31,429	-
FUND BALANCE—SEPTEMBER 30, BUDGETARY BASIS	<u>\$ 22,604</u>	<u>\$ 22,604</u>	<u>\$ 29,411</u>	<u>\$ 6,807</u>

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Supplementary Financial Information
September 30, 2009

Supplementary Note: Reconciliation of Actual Revenues and Expenditures to the Non-GAAP Budgetary Basis

For the Capital Project Funds, Debt Service Funds, and the Low- and Moderate-Income Housing Fund, budget information is presented on a non-GAAP budgetary basis. Appropriations represent budgeted amounts to be expended or encumbered during the period as presented on the combining schedule of revenues, expenditures, and changes in fund balance Budget and Actual, pages 64 – 65.

Budgeted revenue and expenditure amounts represent the original budget modified by adjustments authorized during the year. The legal level of budgetary control is at the fund. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year, which were contingent upon new, or additional revenue sources. Total expenditures of each governmental fund may not legally exceed total appropriations at the fund level.

The following reconciles actual revenues and expenditures for Agency funds to the non-GAAP budgetary basis by fund type for the fiscal year ended September 30, 2009 (in thousands):

	Capital Project Funds	Debt Service Funds	Total
Beginning fund balance at October 1, 2008, on an actual GAAP basis	\$ 187,710	\$ 134,108	\$ 321,818
Encumbrances outstanding at October 1, 2008	(1,125)	-	(1,125)
Cumulative effect of capitalization of land held for resale at October 1, 2008	(161,935)	-	(161,935)
Beginning fund balance at October 1, 2008, on a budgetary basis	<u>24,650</u>	<u>134,108</u>	<u>158,758</u>
Actual GAAP basis revenue	3,650	98,266	101,916
Adjustment to GAAP basis revenues:			
Proceeds from the sale of land for resale	50	-	50
Revenues on a budgetary basis	<u>3,700</u>	<u>98,266</u>	<u>101,966</u>
Actual GAAP basis expenditures	39,976	45,825	85,801
Adjustments to GAAP basis expenditures:			
Encumbrances outstanding at October 1, 2008	(1,125)	-	(1,125)
Encumbrances outstanding at September 30, 2009	4,913	-	4,913
Loss on sale of land held for resale	(1,391)	-	(1,391)
Current effect of capitalization of land held for resale	18,372	-	18,372
Expenditures on a budgetary basis	<u>60,745</u>	<u>45,825</u>	<u>106,570</u>
Excess (Deficiency) of revenues over (under) expenditures on a budgetary basis	<u>(57,045)</u>	<u>52,441</u>	<u>(4,604)</u>
Other financing sources (uses), on an actual GAAP basis	52,644	(53,356)	(712)
Transfers of land held for resale	1,502	-	1,502
Other financing sources (uses) on a budgetary basis	<u>54,146</u>	<u>(53,356)</u>	<u>790</u>
Net change in fund balances, on a budgetary basis	<u>(2,899)</u>	<u>(915)</u>	<u>(3,814)</u>
Ending fund balance at September 30, 2009, on a budgetary basis	<u>\$ 21,751</u>	<u>\$ 133,193</u>	<u>\$ 154,944</u>

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Supplementary Financial Information
September 30, 2009**

The following reconciles actual revenues and expenditures for the Low- and Moderate-Income Housing Fund to the non-GAAP budgetary basis for the fiscal year ended September 30, 2009 (in thousands):

Beginning fund balance at October 1, 2008, on an actual GAAP basis	\$41,627
Encumbrances outstanding at October 1, 2008	(91)
Cumulative effect of capitalization of land held for resale at October 1, 2008	<u>(7,838)</u>
Beginning fund balance at October 1, 2008, on a budgetary basis	<u>33,698</u>
Actual GAAP basis revenue	24,310
Proceeds from the sale of land for resale	215
Gain on sale of land held for resale	<u>(25)</u>
Revenues on a budgetary basis	<u>24,500</u>
Actual GAAP basis expenditures	11,831
Adjustments to GAAP basis expenditures:	
Encumbrances outstanding at October 1, 2008	(91)
Encumbrances outstanding at September 30, 2009	<u>1</u>
Expenditures on a budgetary basis	<u>11,741</u>
Excess of revenues over expenditures on a budgetary basis	<u>12,759</u>
Other financing sources (uses), on an actual GAAP basis	(4,523)
Adjustment to GAAP basis other financing sources (uses):	
Transfers of land held for resale	<u>1,003</u>
Other financing sources (uses) on a budgetary basis	<u>(3,520)</u>
Net change in fund balance, on a budgetary basis	<u>9,239</u>
Ending fund balance at September 30, 2009, on a budgetary basis	<u><u>\$42,937</u></u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Changes in Long-term Debt
Year Ended September 30, 2009
(In Thousands)

	Balance September 30 2008	Additions	Deductions	Balance September 30 2009
<u>Poly High Project</u>				
Bonds-Tax Allocation Bonds 2002	\$ 780	\$ -	\$ 181	\$ 599
Bonds-Tax Allocation Bonds 2005A-2	2,558	-	-	2,558
Total	<u>3,338</u>	<u>-</u>	<u>181</u>	<u>3,157</u>
<u>West Beach Project</u>				
Bonds-Tax Allocation Bonds 2002	6,385	-	505	5,880
Bonds-Tax Allocation Bonds 2005A-2	839	-	-	839
Total	<u>7,224</u>	<u>-</u>	<u>505</u>	<u>6,719</u>
<u>West Long Beach Ind'l Proj.</u>				
Bonds-Tax Allocation Bonds 1992	14,420	-	1,095	13,325
Bonds-Tax Allocation Bonds 2002B	19,420	-	125	19,295
Total	<u>33,840</u>	<u>-</u>	<u>1,220</u>	<u>32,620</u>
<u>Downtown Project</u>				
Bonds-Tax Allocation Bonds 1992A	32,020	-	2,430	29,590
Bonds-Tax Allocation Bonds 2002A	15,545	-	624	14,921
Bonds-Tax Allocation Bonds 2002B	22,615	-	-	22,615
Bonds-Tax Allocation Bonds 2005C	7,790	-	50	7,740
Total	<u>77,970</u>	<u>-</u>	<u>3,104</u>	<u>74,866</u>
<u>Los Altos Project</u>				
Bonds-Tax Allocation Bonds 2005A-1	3,895	-	275	3,620
Notes-Los Angeles County-Share of Tax Increment: Principal	2,397	309	-	2,706
Interest Payable	455	97	-	552
Notes-Los Angeles County Office of Education- Share of Tax Increment: Principal	19	2	-	21
Interest Payable	4	1	-	5
Total	<u>6,770</u>	<u>409</u>	<u>275</u>	<u>6,904</u>
<u>Central Long Beach Proj</u>				
Bonds-Tax Allocation Bonds 2005A-1	21,865	-	297	21,568
Bonds-Tax Allocation Bonds 2005B	32,995	-	448	32,547
Total	<u>54,860</u>	<u>-</u>	<u>745</u>	<u>54,115</u>
<u>North Long Beach Project</u>				
Bonds-Tax Allocation Bonds 2002	9,760	-	772	8,988
Bonds-Tax Allocation Bonds 2005A-1	37,049	-	700	36,349
Bonds-Tax Allocation Bonds 2005B	23,826	-	450	23,376
Bonds-Tax Allocation Bonds 2005C	27,145	-	-	27,145
Total	<u>97,780</u>	<u>-</u>	<u>1,922</u>	<u>95,858</u>
<u>Housing Fund</u>				
Bonds-Tax Allocation Bonds 2005B	53,655	-	720	52,935
Total	<u>53,655</u>	<u>-</u>	<u>720</u>	<u>52,935</u>
TOTAL AGENCY LONG-TERM DEBT	<u>\$ 335,437</u>	<u>\$ 409</u>	<u>\$ 8,672</u>	<u>\$ 327,174</u>

Long-term indebtedness is summarized as follows:

Notes	\$ 2,875	\$ 409	\$ -	\$ 3,284
Bonds	332,562	-	8,672	323,890
Total	<u>\$ 335,437</u>	<u>\$ 409</u>	<u>\$ 8,672</u>	<u>\$ 327,174</u>

See accompanying independent auditors' report.

Auditor's Report on Compliance



KPMG LLP
Suite 700
20 Pacifica
Irvine, CA 92618-3391

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Honorable Mayor and City Council
City of Long Beach, California

The Honorable Members of the Redevelopment Agency Board
City of Long Beach, California:

We have audited the combined financial statements of the governmental activities and each major fund of the Redevelopment Agency of the City of Long Beach (the Agency), a component financial reporting unit of the City of Long Beach, California (the City), and the City of Long Beach Low- and Moderate-Income Housing Fund as of and for the year ended September 30, 2009, which collectively comprise the Agency's combined financial statements, and have issued our report thereon dated April 16, 2010. The Agency's combined financial statements are prepared using accounting practices required by the State of California Health and Safety Code Section 33080.1, which practices differ from U.S. generally accepted accounting principles. As such, the combined financial statements do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the Agency as of September 30, 2009, or the changes in the Agency's financial position for the year then ended. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City of Long Beach's Mayor and City Council, the Members of the Redevelopment Agency Board, managements of the City and the Agency, the State of California's State Controller's Office, the Department of Housing and Community Development, the County of Los Angeles and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

April 19, 2010

General Information

**DOWNTOWN REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2008-2009
WITH ACCOMPLISHMENTS FOR FY 2008-2009**

GOAL #1

Encourage neighborhood revitalization through commercial and mixed-use development in the Downtown in conformance with the Redevelopment Plan and the Downtown Strategy for Development.

- Provide incentives to appropriate retailers to locate in Downtown.
- Continue to facilitate development of the Hotel Esterel (formerly D'Orsay Hotel).
- Implement disposition and development agreement (DDA) for Promenade site with Lyon Realty Advisors.
- Implement DDA for West Gateway Project with Lyon Realty Advisors.
- Negotiate OPA with Williams & Dame Development for the block bordered by 3rd and 4th streets and Pine and Pacific Avenues.
- Negotiate DDA with Williams & Dame Development for the redevelopment of the block at Long Beach Boulevard and 3rd Street (Broadway Block).
- Negotiate DDA with AloftLB, LLC for a hotel project along Long Beach Boulevard between Alta Way and Broadway.
- Continue to work with the owner of Pine Square/Pacific Court on the conversion of underutilized AMC Theater space into condominiums.
- Negotiate with developers for development of the southern portion of the block at 1st Street, Long Beach Boulevard and Alta Way.
- Initiate dialog related to development of a new Civic Center/Library Master Plan in the Downtown Area.
- Continue to pursue development of sites along Ocean Boulevard.

ACCOMPLISHMENTS

- Worked in partnership with Downtown Long Beach Associates and the City's Economic Development Bureau to provide incentive packages for appropriate retailers to establish on Pine Avenue.
- Monitored the construction and completion of Lyon Realty Advisors' Promenade project (104 units) in accordance with the terms of their DDA.
- Monitored the construction of Lyon Realty Advisors' West Gateway project (291 units, 26 affordable units) in accordance with the terms of their DDA.
- Entered into a Memorandum of Understanding with California State University, Long Beach (CSULB) related to graduate housing and a Downtown arts program. Prepared a development concept package and a financial pro forma for the Broadway Block.

- Terminated negotiations with Urban Growth Long Beach for a hotel project along Long Beach Boulevard between 1st Street and Broadway (MTA Block).
- Continued negotiations with AloftLB, LLC for the development of a hotel on the corner of Broadway and Long Beach Boulevard.
- Worked with the owner of Pine Square/Pacific Court to secure new retail or alternative uses for the underutilized AMC Theater space, which could include conversion into condominiums.
- Continued development of conceptual plans for the Art Exchange and moved forward in obtaining project entitlements and CEQA clearance for the project. Worked with the Art Exchange Board to develop their program and vision.
- Released Request for Proposals and reviewed development submissions for the American Hotel.

GOAL #2

Encourage open space and public art development in the Downtown in conformance with the Redevelopment Plan and the Downtown Strategy for Development.

- Implement The Promenade Open Space Master Plan and public art installation on three blocks of The Promenade between Ocean Boulevard and 3rd Street.
- Implement public art on key corridors with Ocean Boulevard as a priority.

ACCOMPLISHMENTS

- The Promenade Mid-block Master Plan improvements were completed including a new storm drain, hardscape, landscape, lighting, and seating. Continue to monitor construction of the public art component and Promenade Square. Continued to work on conceptual plans for the north and south blocks.
- Completed conceptual plans for public art on Ocean Boulevard medians.
- Completed temporary landscape improvements on Promenade between Broadway and 3rd Street.
- Continued partnership with Phantom Galleries to place approximately 100 temporary art installations in 20 empty storefronts in Downtown Long Beach.
- Installed temporary murals at Pine and Ocean and around the Lyon West Gateway construction site
- Temporarily relocated the Bikestation into ground floor retail space at Lennar and continued development of conceptual plans for a new permanent Bikestation facility.

GOAL #3

Support the development of affordable housing in Long Beach.

- Transfer 20% of available Project Area tax increment to the Housing Development Fund.

ACCOMPLISHMENTS

- Transferred 20% of available increment to the Housing Development Fund.
- Monitored the construction of Lyon Realty Advisors' West Gateway project, which includes 26 affordable units.

GOAL #4

Encourage infrastructure and public improvements in conformance with the Redevelopment Plan and Downtown Strategy for Development.

- Begin construction of open space and pedestrian linkages through the West Gateway area to The Promenade and Long Beach Boulevard.
- Implement recommendations of the Downtown Parking Study.
- Implement DDA with Long Beach Transit on the redevelopment of the southeast corner of Pine Avenue and First Street with the new Long Beach Transit Visitor and Information Center.
- Initiate plans to redevelop the 3rd Street and Promenade site adjacent to the WPA Mosaic into open space.
- Initiate dialog related to a new Master Plan for the Convention Center.
- Conduct feasibility study and investigate alternatives for improvements and additional parking spaces at CityPlace south garage.

ACCOMPLISHMENTS

- Enhanced directional signage to Downtown parking.
- Continued public information program on changes in Downtown parking, including working with the Downtown Long Beach Associates (DLBA) on the creation of a website to provide parking information and an online reservation system.
- Completed the Long Beach Transit's Visitor and Information Center project in accordance with the terms of their DDA.
- Installed new Traffic Signals at Promenade and Broadway/First Street.
- Installed police surveillance cameras south of Ocean Boulevard on Seaside Way, at the Convention center and on the birdcage.
- Continued to develop plans for CityPlace Parking Garage Expansion, Improvements and Upgrades.
- Began work on the Pine Avenue Streetscape Improvement Project.

GOAL #5

Encourage effective Project Area administration in conformance with the Redevelopment Plan and Downtown Strategy for Development.

- Participate in development of the Downtown Community Plan and Program EIR, a comprehensive revision of PD30 Zoning for height and density flexibility and for mixed-use project standards.
- Continue participation in General Plan update.
- Continue partnership with Downtown Long Beach Associates and Downtown businesses through contributions to marketing and economic development efforts.
- Provide staff support for the Downtown Property Based Improvement District (PBID) and the DLBA.

ACCOMPLISHMENTS

- Completed draft of the Downtown Community Plan, which is being circulated for public review and comment.
- Participated in the General Plan update process.
- Completed a Downtown Market Study.
- Entered into Agreement with DLBA to conduct economic development program.
- Contributed to Downtown marketing efforts.
- Attended DLBA meetings to report on Redevelopment activities.

**DOWNTOWN REDEVELOPMENT PROJECT AREA
GOALS AND WORK PLAN FOR FY 2009-2010**

1) Encourage neighborhood revitalization through commercial and mixed-use development in the Downtown in conformance with the Redevelopment Plan and the Downtown Strategy for Development

- Provide incentives to appropriate retailers to locate in Downtown.
- Continue to facilitate development of the Hotel Esterel site (formerly D'Orsay Hotel).
- Implement DDA for West Gateway Project with Lyon Realty Advisors.
- Solicit Requests for Proposals (RFPs) from qualified developers for a mixed-use development for the half block bordered by 3rd and 4th Streets and Pacific Avenue.
- Implement MOU between CSU Long Beach and RDA to explore financial feasibility and conceptual design for the redevelopment of the block at Long Beach Boulevard and 3rd Street (Broadway Block).
- Negotiate DDA with AloftLB, LLC for a hotel project along Long Beach Boulevard between Alta Way and Broadway.
- Continue to work with the owner of Pine Square/Pacific Court on the reuse/ conversion of underutilized AMC Theater space into retail or condominiums.
- Negotiate DDA with Urban Growth Long Beach for development of a hotel on the southern portion of the block at 1st Street, Long Beach Boulevard and Alta Way.
- Finalize site plan for the reuse of the American Hotel and submit for planning approvals and CEQA clearance.
- Continue to pursue development of sites along Ocean Blvd.

2) Encourage open space and public art development in the Downtown in conformance with the Redevelopment Plan and the Downtown Strategy for Development

- Implement Phase I of the Art Exchange at the southeast corner of Long Beach Boulevard and 3rd Street.
- Complete construction design for The Promenade Open Space Master Plan and public art installation on the remaining blocks including Promenade Square & BikeStation, South Block and Victory Park, and North Block/Mural Park.
- Begin construction of South Block and Victory Park. Implement public art on key corridors with Ocean Boulevard as a priority.
- Continue working with Phantom Galleries to place interim public art exhibits in vacant storefronts.

3) Encourage infrastructure and public improvements in conformance with the Redevelopment Plan and Downtown Strategy for Development

- Begin construction of open space and pedestrian linkages (Phase I in front of Lyon West Gateway) through the West Gateway Area to The Promenade and Long Beach Boulevard.
- Implement recommendations of the Downtown Parking Study.
- Initiate plans to redevelop the 3rd Street and Promenade site adjacent to the WPA Mosaic (Mural Park) into open space.
- Seek additional funding for the construction of additional parking spaces at CityPlace south garage.

4) Support the development of affordable housing in Long Beach

- Transfer 20 percent of available project area tax increment to the Housing Development Fund.

5) Encourage effective project area administration in conformance with Redevelopment Plan and Downtown Strategy for Development

- Continue participation in Downtown Community Plan, a comprehensive revision of PD30 Zoning for height and density flexibility and for mixed-use project standards.
- Continue participation in General Plan update.
- Continue partnership with Downtown Long Beach Associates (DLBA) and Downtown businesses through contributions to marketing and economic development efforts.
- Provide staff support for the Downtown Property Based Improvement District (PBID) and the Downtown Long Beach Associates (DLBA).

**WEST BEACH REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2008-2009
WITH ACCOMPLISHMENTS FOR FY 2008-2009**

GOAL #1

Continue to support development of the West Ocean commercial corridor.

- Continue to assist private sector developments in the Project Area in conformance with the Redevelopment Plan and Downtown Strategy for Development.

ACCOMPLISHMENT

- Staff has continued to assist private sector initiatives in the Project Area that conform to the Redevelopment Plan and Downtown Strategy for Development.

GOAL #2

Provide additional recreation opportunities or other infrastructure improvements to benefit the Project Area.

- Assist with infrastructure improvements that benefit the Project Area.

ACCOMPLISHMENT

- Continued to work on conceptual plans for The Promenade

GOAL #3

Support the development of affordable housing in Long Beach.

- Transfer 20% of available Project Area tax increment to the Housing Development Fund.

ACCOMPLISHMENT

- The Housing Development Fund has received 20% of available increment.

GOAL #4

Administer the Project Area effectively.

- Provide staff support for the Downtown Property Based Improvement District (PBID) and the Downtown Long Beach Associates (DLBA).

ACCOMPLISHMENT

- Agency staff has continued to provide support to a variety of committees and organizations, including the DLBA and the Arts Council.

**WEST BEACH REDEVELOPMENT PROJECT AREA
GOALS AND WORK PLAN FOR FY 2009-2010**

- 1) Participate in the Golden Shore Master Plan and entitlement process.**
- 2) Continue to support development of the West Ocean commercial corridor.**
 - Continue to assist private sector developments in the Project Area in conformance with the Redevelopment Plan and Downtown Strategy for Development.
- 3) Provide additional recreation opportunities or other infrastructure improvements to benefit the project area.**
 - Assist with infrastructure improvements that benefit the project area, with South Block and Victory Park as a priority.
- 4) Support the development of affordable housing in Long Beach.**
 - Transfer 20 percent of available project area tax increment to the Housing Development Fund.
- 5) Serve as staff support to various committees and organizations.**
 - Provide staff support for the Downtown Property Based Improvement District (PBID) and the Downtown Long Beach Associates (DLBA).

**WEST LONG BEACH INDUSTRIAL REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2008-2009
WITH ACCOMPLISHMENTS FOR FY 2008-2009**

GOAL #1

Contribute to Neighborhood Revitalization

- Facilitate removal and conversion of nonconforming uses.
- Create new development opportunities.
- Ensure that adequate infrastructure is in place to support the growth of existing businesses and other future development.
- Expand Community Code Enforcement Program.
- Address real and perceived safety by making the Westside a clean, safe and welcoming environment.
- Implement Commercial Façade Improvement Program (CFIP).
- Strengthen the industrial character of the Westside by retaining existing manufacturers and attracting new ones.

ACCOMPLISHMENTS

- Completed negotiation and acquisition of nonconforming use at 1328 – 1340 Canal Avenue.
- Completed acquisition of 1652 W. 15th Street.
- Negotiated and executed an OPA with McFadden Family Trust dba CMAC Construction for the purpose of business expansion at 1652 W. 15th Street.
- Negotiated and executed an OPA with Cowelco for the development of 1328-1340 Canal Avenue for the purpose of business expansion and offsite employee parking.
- Completed the purchase negotiation and acquisition for 1650 Seabright Avenue.
- Negotiated and executed an OPA with Parker Diving Services for the development of 1650 Seabright Avenue and 1881 W. 16th Street facilitating the company's Phase II expansion
- Recorded Certificate of Completion of disposition and development agreement (DDA) with Marinus Scientific regarding the development at 1662-1666 Seabright Avenue.
- Negotiated acquisition of a nonconforming use at 2144 W. 16th Street.
- Negotiated the purchase of 1404-1420 Hayes Avenue and 1350 Seabright with Tankard Trust.
- Terminated the DDA with Cal-Can Holdings, LLC (also known as Redbarn Premium Pet Food Products) for the development of 2110 W. Cowles Street
- Negotiated acquisition of a nonconforming use at 1461-1466 Cota Avenue.

- Executed the contract agreement with Vasilj, Inc., for construction of Storm Drain and Pump Station Improvement Project.
- Executed a rental agreement with Vasilj, Inc., for temporary use of Agency property at 1675 Santa Fe as construction staging area.
- Completed design review process with Caltrans for the PCH Streetscape project.
- Negotiated permit variance with Caltrans for the PCH Streetscape project.
- Completed design process for the Westside monument project.
- Completed design of 6 CFIP sites.
- Completed 3 façade improvement projects.
- Expanded the Commercial Fencing & Screening Program.
- Finalized the design phase for the Bob Lee memorial bus shelter project.
- Completed parking lot development at 2025 W. 17th.
- Completed the MOU with Calcan Holdings dba Redbarn Premium Pet Products for acquisition of 2136-44 W. 16th Street.
- Provided funding for the completion of Phase II & Phase III of Pro-Active Code Enforcement Program.
- Provided funding for Neighborhood Services Bureau Commercial Exterior Rebates to business/property owners.
- Launched the Street & Alley Solar Lighting Project to enhance public safety and promote green technology.
- Completed the Security Camera project along Harbor Avenue to enhance public safety.
- Continued monitoring the Request for Consideration of a Coastal Aquifer Variance and Basin Plan Amendment for the Westside to the Los Angeles Regional Water Quality Control Board for their Triennial Review.
- Continued implementation of the Westside Industrial Strategic Action Plan.

GOAL #2

Contribute to Corridor Revitalization

- Create a more pleasant urban environment through an attractive streetscape program.
- Facilitate removal and conversion of non-conforming property uses.
- Create new development opportunities.
- Introduce Community Code Enforcement Program.
- Implement Façade Improvement Program.

ACCOMPLISHMENTS

- Completed plan review process and secured permit variance with Caltrans for Pacific Coast Highway streetscape improvement project.
- Completed acquisition of 1545–1551 Santa Fe Avenue (also known as La Hacienda Night Club).
- Recorded Certificate of Completion of DDA with Marinus Scientific regarding the development at 1662-1666 Seabright Avenue.
- Completed facade improvement project at 2000 Cowles, 2001 W. 14th, 1700 Santa Fe, and 1401 Santa Fe.
- Expanded the Commercial Fencing & Screening Program.
- Completed Phase II & Phase III of Pro-active Code Enforcement Program.
- Provided funding for Neighborhood Services Bureau Commercial Exterior Rebates to business/property owners.
- Completed the Harbor Avenue Security Camera Project to enhance public safety.
- Continued implementation of the Westside Industrial Strategic Action Plan.

GOAL #3

Promote Open Space / Public Art Development

- Enhance the image and identity of the Westside as a prosperous industrial community through improved signage and other actions designed to change the perceptions of the area.

ACCOMPLISHMENTS

- Completed the design phase for public art project for Bob Lee Commemorative Bus Shelter.
- Completed utility Box Art Project in conjunction with five Cabrillo High School student artists.
- Completed the design review process for monument artwork for Westside.
- Marketed Agency activities with banners and advertisements.
- Partnered with Arts Council for Long Beach regarding public art installations.

GOAL #4

Facilitate the Efficient Administration of the Project Area.

- Strengthen partnership with West Long Beach.
- Develop a comprehensive public relations, marketing and communications program to market the Westside as a dynamic industrial community.

ACCOMPLISHMENTS

- Approved West Long Beach Industrial Project Area Committee (WPAC) Administrative funding agreement for FY 2008-2009.
- Continue to provide staff support to the WPAC.

- Continue to provide staff support to the WPAC subcommittees.
- Promoted development sites throughout the Project Area.

**WEST LONG BEACH INDUSTRIAL PROJECT AREA
GOALS AND WORK PLAN FOR FY 2009-2010**

1) Neighborhood Revitalization

- Facilitate the removal of non-conforming uses.
- Create new development opportunities.
- Maintain pro-active Code Enforcement Program.
- Maintain commercial façade improvement program.
- Implement the Industrial Strategic Action Plan

2) Corridor Revitalization.

- Facilitate removal and conversion of non-conforming uses.
- Create new development opportunities.
- Maintain pro-active Code Enforcement Program.
- Maintain commercial façade improvement program.

3) Open Space / Public Art Development

- Enhance the image and identity of the Westside as a prosperous industrial community.

4) Infrastructure/Public Improvements

- Improve infrastructure to support existing businesses:
 - Storm drain and pump station improvement project
- Create a more pleasant environment through an attractive streetscape program:
 - Pacific Coast Highway

5) Housing

- Support the development of affordable housing in Long Beach:
 - Transfer 20 percent of project area tax increment to the Housing Development Fund.

6) Facilitate the Efficient Administration of the Project Area

- Continue to provide funding and staff support to the West Long Beach Industrial Project Area Committee.

**POLY HIGH REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2008-2009
WITH ACCOMPLISHMENTS FOR FY 2008-2009**

GOAL #1

Eliminate and prevent blight along the Project Area's commercial corridors.

- Acquire or provide rehabilitation assistance for commercial properties on Pacific Coast Highway.
- Explore the possibility of joint development of sites along Pacific Coast Highway with the Long Beach Unified School District.

ACCOMPLISHMENTS

- Completed Poly Gateway Open Space project and new right-turn lane at Atlantic Avenue and Pacific Coast Highway.
- Completed the Poly Gateway Open Space project at Martin Luther King Jr. Boulevard and Pacific Coast Highway.

GOAL #2

Preserve the public amenities created as part of the redevelopment of the Poly High Project Area.

- Assist in the development of public infrastructure and open space development projects.

ACCOMPLISHMENTS

- Initiated the 14th Street alley reconstruction project.
- Completed design development of the Poly Gateway Open Space project and new right-turn lane at Atlantic Avenue and Pacific Coast Highway.
- Completed design development of the Poly Gateway Open Space project at Martin Luther King Jr. Boulevard and Pacific Coast Highway.
- Continued to provide funding for the development of public art.

GOAL #3

Continue to support the development of affordable housing by transferring 20% of Project Area tax increment to the Housing Development Fund.

- Provide 20% of Project Area tax increment for the development of affordable housing.

ACCOMPLISHMENTS

- Transferred 20% of Project Area tax increment to the Housing Development Fund.

**POLY HIGH REDEVELOPMENT PROJECT AREA
GOALS AND WORK PLAN FOR FY 2009-2010**

- 1) Contribute to corridor revitalization.**
 - Eliminate and prevent blight along the Project Area's commercial corridors.
 - Provide rehabilitation assistance for commercial properties along commercial corridors.
 - Explore the possibility of joint development of sites along Pacific Coast Highway with the Long Beach Unified School District.
 - Continue to support the Fence Enhancement Pilot Program with Poly High School.
 - Continue to support the Commercial Screening Program.

- 2) Contribute to open space and public art development.**
 - Support the creation and installation of public art.
 - Support the creation of streetscape/open space improvements.

- 3) Contribute to infrastructure and public improvements.**
 - Preserve the public amenities created as part of the redevelopment of the Poly High School Project Area:
 - Continue to assist in the development of public infrastructure and open space development projects.

- 4) Support the development of affordable housing in Long Beach.**
 - Continue to support the development of affordable housing by transferring 20 percent of project area tax increment to the Housing Development Fund.
 - Provide 20 percent of project area tax increment for the development of affordable housing.

**LOS ALTOS REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2008-2009
WITH ACCOMPLISHMENTS FOR FY 2008-2009**

GOAL #1

Preserve the public amenities created as part of the redevelopment of the Los Altos Shopping Center.

- Maintain reserve for capital replacement.

ACCOMPLISHMENT

- Completed repaving and rehabilitation of an alley serving businesses in the project area.

GOAL #2

Support the development of affordable housing in Long Beach.

- Transfer 20% of available Project Area tax increment to the Housing Development Fund.

ACCOMPLISHMENT

- Transferred 20% of available Project Area tax increment to the Housing Development Fund.

GOAL #3

Administer the Project Area's obligations effectively.

- Use sales tax revenue and tax increment for bond debt service, administrative expenses, public art maintenance, and repayment of the loan from the West Long Beach Industrial Project Area.

ACCOMPLISHMENT

- All of the Project Area's obligations were met.

**LOS ALTOS REDEVELOPMENT PROJECT AREA
GOALS AND WORK PLAN FOR FY 2009-2010**

- 1) Support the development of affordable housing in Long Beach**
 - Transfer 20 percent of available project area tax increment to the Housing Development Fund.

- 2) Administer the Project Area's obligations effectively**
 - Use sales tax revenue and tax increment for bond debt service, administrative expenses, public art maintenance, and repayment of the loan from the West Long Beach Industrial Project Area.

 - Maintain reserve for capital replacement to preserve the public amenities created as part of the redevelopment of the Los Altos Shopping Center.

**CENTRAL LONG BEACH REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2008-2009
WITH ACCOMPLISHMENTS FOR FY 2008-2009**

GOAL #1

Contribute to Neighborhood Revitalization.

- Encourage human-scale, pedestrian-oriented developments.
- Encourage neighborhood identity initiatives.
- Support the preservation and enhancement of historic districts and structures.
- Support the development of market-rate housing developments.
 - Shoreline Gateway
 - West Gateway
 - Willmore City
 - Atlantic Avenue and Willow Street
- Develop programs for enhancing and rehabilitating existing housing stock.
- Continue to facilitate and encourage homeownership opportunities.
- Develop initiatives to reduce density in overcrowded neighborhoods.

ACCOMPLISHMENTS

- Supported the implementation strategies for the eight targeted Neighborhood Centers for concentrated redevelopment activities as identified in the Central Long Beach Strategic Guide for Development.
- Completed entitlements of a 35-story mixed-use development on Ocean Boulevard and Alamos Avenue.
- Acquired 532-558 Willow Street as part of the land assembly for the Phase III development of Atlantic Avenue and Willow Street.
- Oversaw construction of a 65-unit affordable senior housing development on Atlantic Avenue at Vernon Street.
- Entered into an Exclusive Negotiating Agreement for the development of a Ronald McDonald House at Atlantic Avenue and Vernon Street.
- Furthered the entitlement of a 351 residential units and 42,000 square feet of ground floor retail in a mixed-used project at the southwest corner of Long Beach Boulevard and Anaheim Street.
- Entered into an Exclusive Negotiating Agreement for the development of live/work units at 825-837 E. 7th Street.
- Initiated efforts for the development of the Orizaba Design District.
- Incorporated the recommendations identified in the Central Design Guidelines into new construction projects to encourage pedestrian-oriented development within the Project Area.

- Completed site acquisition of 612 Sunrise Boulevard to provide a gateway entrance to the Sunrise Historic District.
- Facilitated owner-occupancy of four historic homes that were moved to the Willmore Historic District pursuant to the Willmore District Implementation Plan by releasing an RFP and selecting four homeowner/developers to work towards entry into Exclusive Negotiating Agreements.
- Initiated negotiations with the Garage Theatre for participation in the East Village Artist Loan Program.
- Leveraged Project Area funds with local, state and federal funds to support projects and initiatives.
- Provided funding to support code enforcement activities within the Wrigley and Hellmann neighborhoods.
- Completed historic rehabilitation of a historic home moved to 419 Daisy Avenue.

GOAL #2

Contribute to Corridor Revitalization.

- Continue redevelopment efforts along commercial corridors including transit-oriented developments.
- Initiate the Commercial Façade Improvement Program along target corridors.
 - West Willow Street
 - East Anaheim Street
 - West Anaheim Street
 - Pacific Avenue
- Facilitate the development of the Pacific Avenue and Pacific Coast Highway Node.
- Initiate the disposition and development of the Walnut Avenue and Anaheim Street Development Site.
- Complete construction of the Anaheim Street and Atlantic Avenue Development Site.
- Support the implementation of St. Mary and Memorial Hospital's master plans.
- Complete construction of exterior improvements to the Big Saver Center at Willow Street and Caspian Avenue.
- Initiate a Fence Enhancement Pilot Program with Long Beach Unified School District:
 - Burnett Elementary
 - Washington Elementary
 - Poly High
- Support the recruitment, retention and expansion of Project Area businesses.
- Support and encourage business assistance programs that focus on Central Long Beach businesses.
- Provide funding for economic development activities in Central Long Beach.

ACCOMPLISHMENTS

- Completed the Alamitos Corridor Street Enhancement Plan that identifies opportunity sites for streetscape improvements.
- Entered into an Exclusive Negotiating Agreement with the State of California for the development of a regional courthouse.
- Supported the long-range strategic planning study of Long Beach Boulevard.
- Continued facilitating façade improvements through the Commercial Façade Improvement Program.
- Continued center remodel to a commercial center at Willow Street and Caspian Avenue.
- Provided financial assistance to the City's Economic Development Bureau for business retention and attraction activities.
- Provided financial assistance to the City's Neighborhood Code Enforcement Program for effective code compliance monitoring and graffiti removal services in the Project Area.
- Commenced development of a Downtown Community Plan and Environmental Impact Report that will guide development in the downtown area.
- Supported the expansion of Long Beach Memorial Medical Center and Miller Children's Hospital at Long Beach Memorial.
- Provided funding for peer design review of non-Agency residential projects in the predevelopment phase.
- Assisted in the entitlement of a commercial development project at Atlantic Avenue and Anaheim Street.
- Assisted in the development of business recruitment and retention initiatives throughout the Project Area.
- Entered into an agreement with Long Beach City College to acquire blighted properties to allow for the expansion of the campus.
- Acquired a blighted liquor store at Martin Luther King Jr. Boulevard and Pacific Coast Highway to allow for the development of a new commercial development.
- Continued Wrigley Village Streetscape Improvements on Pacific Avenue between Pacific Coast Highway and Willow Street.
- Acquired a blighted motel at 1837 Pacific Avenue to allow for a new commercial development at Pacific Avenue and Pacific Coast Highway.
- Completed land assembly and site clearance of a blighted recycling center at 101 E. Pacific Coast Highway and 1814 Pine Avenue.
- Completed façade improvements for 4th & Linden Creative Offices.
- Completed removal of billboard at Ocean and Lime.

GOAL #3

Contribute to Open Space and Public Art Development.

- Facilitate the development of the Orizaba Park Expansion Project.
- Facilitate the development of the 15th Street and Alamitos Avenue Open Space.
- Facilitate the development and expansion of Chittick Field.
- Facilitate the development of the California Recreation Senior Center.
- Facilitate the development at the PE Right-of-Way-Bike Trail Project.

ACCOMPLISHMENTS

- Completed acquisition and site clearance of four targeted blighted properties to allow for the expansion of Orizaba Park.
- Completed the schematic design development for the expansion of Orizaba Park.
- Completed the design development for Rosa Parks Park at 15th and Alamitos Avenue.
- Completed the K9 Corner Dog Park at Pacific Avenue and 9th Street.
- Completed the Downtown Dog Park at the Civic Center complex.
- Assisted in the development of the conceptual design for the PE Right of Way Bike Trail Project.
- Provided funding to support land assembly for the expansion and development of open space and recreational opportunities at Drake Park.
- Began construction on Seaside Park.
- Began construction on the Homeland Cultural Center Improvement Project at MacArthur Park.
- Partnered with Cal State Long Beach graduate studies department for the design development of a large-scale public art project at Ocean Boulevard and Alamitos Avenue.
- Partnered with Downtown Long Beach Associates to present the Summer and Music concert series.
- Commissioned and installed temporary art throughout the Project Area's vacant lots and storefronts.
- Continue to partner with the Arts Council for Long Beach in implementing new public art.
- Selected artists through a Request for Qualifications for public artists in collaboration with the Arts Council for Long Beach for two sites in the Project Area.

GOAL #4

Contribute to Infrastructure and Public Improvements.

- Begin construction of the Magnolia Industrial Group Street Reconstruction Project - Phase I.
- Complete the construction of the Martin Luther King Median Islands.
- Initiate the development of the Burnett Library Expansion Plan.
- Initiate pedestrian-oriented streetscape improvements within pedestrian-oriented retail districts:
 - East Village
 - Wrigley Village

ACCOMPLISHMENTS

- Completed Magnolia Industrial Group Street Reconstruction Project – Phase I (Oregon Street) and signal upgrade.
- Completed pedestrian lighting and streetscape improvements in the East Village Arts District.
- Assisted in the design development of the First Street street reconstruction project.
- Completed the construction of Martin Luther King Jr. Boulevard Median Islands.
- Facilitated design for Phase I improvements to the Magnolia Industrial Area along Oregon Avenue between Anaheim Street and Pacific Coast Highway.
- Continued development of the Phase II Wrigley Village Streetscape Improvements on Pacific Avenue at 19th Street.

GOAL #5

Facilitate the efficient administration of the Project Area.

- Implement the Strategic Guide for Development for the Central Study Area.
- Implement the Willmore District Implementation Plan.
- Implement the Central Long Beach Design Guidelines.
- Continue to provide staff support to the Central Project Area Committee.
- Continue to provide staff support to the East Village Steering Committee and East Village Association.
- Continue to liaison with the Arts Council for Long Beach.

ACCOMPLISHMENTS

- Provided staff support to various committees and organizations.
 - Central Project Area Committee
 - East Village Steering Committee
 - Arts Council for Long Beach
- Supported the implementation strategies for the eight targeted Neighborhood Centers for concentrated redevelopment activities as identified in the Central Long Beach Strategic Guide for Development.

- Continued to apply the recommendations identified in the Central Design Guidelines to all new projects in the Project Area.
- Continue to partner with the Arts Council for Long Beach in implementing new public art.
- Continued support of events and organizations throughout the Project Area.

GOAL #6

Support the development of affordable housing in Long Beach.

- Transfer 20% of available Project Area tax increment to the Housing Development Fund.
- Continue to identify future opportunities for affordable housing within the Housing Action Plan target areas.
- Assist in site assembly to support affordable housing developments.
- Support the implementation of the goals identified in the Housing Action Plan.
- Support opportunities to incorporate affordable housing in residential or mixed-use developments.

ACCOMPLISHMENTS

- Provided 20% of the available Project Area tax increment to the Housing Development Fund.
- Completed construction of the Long Beach Senior Housing development that provides 65 apartment units for very-low income seniors.
- Assisted in the design development of a workforce housing project located at 2000-2200 Atlantic Avenue.
- Assisted in the design development of a mixed-income housing project located at 1235 Long Beach Boulevard.
- Assisted in the implementation of the Housing Action Plan.

**CENTRAL LONG BEACH REDEVELOPMENT PROJECT AREA
GOALS AND WORK PLAN FOR FY 2009-2010**

1) Contribute to neighborhood revitalization

- Encourage human-scale, pedestrian-oriented developments as well as neighborhood identity initiatives:
 - East Village
 - Wrigley Village
 - Orizaba Design District
- Support the preservation and enhancement of the Willmore City Historic District with the disposition and rehabilitation of four vintage homes.
- Support the development of market-rate housing/mixed-use/commercial/industrial developments:
 - Shoreline Gateway
 - Downtown Courthouse
 - Atlantic Avenue and Willow Street
- Facilitate the development of the Willow and Atlantic Development Site.
- Support Neighborhood Code Enforcement and Graffiti Abatement.

2) Contribute to corridor revitalization

- Continue redevelopment efforts along commercial corridors including transit-oriented developments.
- Initiate the Commercial Façade Improvement Program along target corridors:
 - West Willow Street
 - East Anaheim Street
 - West Anaheim Street
 - Pacific Avenue
 - Pacific Coast Highway
- Facilitate the development of the Pacific Avenue and Pacific Coast Highway Node.
- Facilitate the development of Agency-owned property along commercial corridors:
 - Pine Avenue and Pacific Coast Highway
 - East Anaheim and Lime Avenue
- Continue to support the Commercial Screening Program.
- Support the implementation of St. Mary and Memorial Hospital's master plans.
- Continue to support the Fence Enhancement Pilot Program with Long Beach Unified School District.
- Support and encourage business assistance programs that focus on Central Long Beach Businesses.

3) Contribute to open space/public art

- Begin construction of the Orizaba Park Expansion Project.
- Complete the development of Rosa Parks Park at 15th Street and Alamos Avenue.
- Facilitate the development of Craftsman Park.
- Facilitate the development and expansion of McBride Park.
- Facilitate the development and expansion at P E Right of Way Bike Trail Project.
- Complete the development and expansion of Seaside Park.
- Support the creation and installation of public art.

4) Contribute to infrastructure/public improvements

- Complete Phase II construction of the Magnolia Industrial Group Street Reconstruction.
- Maintain the enhancements to the Martin Luther King Median Islands.
- Begin construction of the pedestrian-oriented streetscape improvements within pedestrian-oriented retail districts.
 - East Village
 - Wrigley Village

5) Support the development of affordable housing in Long Beach

- Transfer 20 percent of available project area tax increment to the Housing Development Fund.
- Continue to identify future opportunities for affordable housing within the Housing Action Plan target areas.
- Assist in site assembly to support affordable housing developments.
- Support the implementation of the goals identified in the Housing Action Plan.
- Support opportunities to incorporate affordable housing in residential or mixed-use developments.

6) Facilitate the efficient administration of the Project Area

- Implement the Strategic Guide for Development for the Central Project Area.
- Implement the Willmore District Implementation Plan.
- Implement the Central Long Beach Design Guidelines.
- Implement the Orizaba Design District Implemental Plan.
- Continue to provide staff support to the Central Project Area Committee.
- Continue to liaison with the Arts Council of Long Beach.

**NORTH LONG BEACH REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2008-2009
WITH ACCOMPLISHMENTS FOR FY 2008-2009**

GOAL #1

Contribute towards neighborhood revitalization.

- Continue Neighborhood Enhancement Area program.
- Continue Multi-Family Improvement program.
- Continue Pro-active Code Enforcement program.
- Add work force housing.
- Add home ownership opportunities.
- Add senior housing near public transportation corridors.

ACCOMPLISHMENTS

- Provided funding to complete the following Neighborhood Enhancement Areas: Hamilton, California/Cherry, McKinley, Ramona and Del Amo.
- Provided funding to start the following Neighborhood Enhancement Areas: Coolidge, Jordan, Grant, Dairy, Sutter and Jane Adams.
- Continued a Pro-active Code Enforcement program on all the major commercial corridors in North Long Beach.
- Re-executed an Exclusive Negotiating Agreement (ENA) with Golden Pacific Partners for the development of housing at 5060-5090 Long Beach Boulevard.
- Acquired and demolished a blighted hotel at 5100-5110 Long Beach Boulevard to expand the housing project at 5060-5090 Long Beach Boulevard.
- Identified Agency owned vacant lot at 306 Home Street for ACE Program.
- Facilitated the presentation of affordable senior housing at 3290 Artesia Boulevard.
- Continued the design of one-way street couplet in Dairy Neighborhood.
- Funded graffiti abatement funding program
- Entered into Memorandum of Understanding with the Long Beach Housing Development Company to facilitate the acquisition of real property

GOAL #2

Contribute towards corridor revitalization.

- Revitalize existing commercial/retail sites.
- Develop new commercial/retail sites.

- Add median and/or streetscape improvements.
- Add public facilities.
- Continue commercial façade renovations.
- Add public parking.
- Implement decorative fencing program.
- Continue business incentive program.
- Preserve buildings with historical or architectural significance.

ACCOMPLISHMENTS

- Completed working with existing property owner to facilitate redevelopment of the former Home Base site into a new Target Department Store.
- Amend Language Commercial Screening Program to facilitate greater access to program benefits.
- Completed construction of exterior and public improvements for the new Long Beach BMW Motorcycle dealership at 2125 E. Spring Street.
- Acquired 5301 Long Beach Boulevard, completed demolition and preliminary designs for the expansion of El Ranchito Restaurant parking lot.
- Cleared blighted motel sites on 4800 block of Long Beach Boulevard.
- Completed demolition of former Roberts Department Store and commenced construction of Marshall store development for the Bixby Knolls Shopping Center.
- Completed the City's conceptual site plan review, and Technical Advisory Committee. Certified Final Environmental Impact Report for the North Village Center development.
- Commenced DDA negotiations and site plan review with development team regarding the Atlantic and Artesia site.
- Extended Cooperative Agreement with California State University, Long Beach (CSULB) for the development of the remaining development site at Technology Park.
- Acquired the following properties for future development:
 - 5927 Atlantic Avenue (Housing)
 - 5368 Long Beach Boulevard
 - 5948 Atlantic Avenue
 - 685 East Artesia
- Worked with the North Project Area Committee (NPAC) to identify new façade improvement on commercial corridors: Artesia Boulevard; Long Beach Boulevard from Del Amo Boulevard to 53rd Street; Santa Fe Avenue from Pacific Coast Highway to Hill Street; and various sites in the Bixby Knolls Business Improvement Area.
- Continued to negotiate façade renovation contracts with Virginia Village businesses.

- Completed façade improvement at 5360-5366, 5413-15 and 5417 Long Beach Boulevard.
- Completed sign improvements of retail center located at 4913 Long Beach Boulevard.
- Acquired and demolished blighted property and initiated the design of a paseo (parkway) at 5368 Long Beach Blvd
- Initiated commercial façade improvement projects.
- Acquired 5640 Atlantic Avenue and completed the design for the expansion of the planned North Village public parking lot at 5640–5648 Atlantic Avenue, and reconfigured parking lot to maximize spaces.
- Funded Bixby Knolls Improvement Association beautification and promotions agreement.
- Supported the preservation of 620–638 E. South Street.
- Entered into a contract with and provided funding to the Bixby Knolls Business Improvement Association
- Entered into lease with and provided funding to the Bixby Knolls Business Improvement Association for the use of 4321 Atlantic Avenue for public community events programming.
- Completed leases for three vacant buildings (5372 Long Beach Blvd; 5641 and 5643 Atlantic Avenue

GOAL #3

Contribute towards open space/public art development.

- Continue development of additional open/park space.
- Continue development of public art.

ACCOMPLISHMENTS

- Completed designs for and commenced construction on the Admiral Kidd Park Expansion.
- Provided funding for the conceptual designs for Houghton Park Community Center.
- Completed demolition of blighted building and commenced design and public participation in the development of the future Oregon/Del Amo park.
- Completed demolition of industrial warehouse structures in preparation for the expansion of Pops Davenport Park.
- Continued CEQA and landfill closure plan for the expansion of Pops Davenport Park.
- Supported neighborhood efforts to create beauty and pride through funding Neighborhood Partners Program grants and funding neighborhood murals, including the North Village Center mural.

- Continued to support NPAC by providing utility box art.
- Continued to support the NPAC with the installation of street pole banners.
- Continued to fund and work with Arts Council for Long Beach.
- Execute contract with Art Council for Long Beach for public art management services.
- Installed "Orange Twist" public art sculpture on Atlantic Avenue.
- Completed a mural ("A Neighborhood Perspective") at the SuperMex Restaurant located at 5650 Atlantic Avenue.
- Entered into agreements with West Coast Choppers, Inc. and Patrick Vogel Designs, Inc. for decorative metal fabrications services for public art.
- Funded public artwork on designated traffic signal controller cabinets.

GOAL #4

Contribute towards infrastructure/public improvements.

- Add infrastructure improvements (including reconstructing major streets, collector streets, local streets, curbs, gutters, alleys, sidewalks and other public works).

ACCOMPLISHMENTS

- Certified CEQA Environmental Impact Report for the construction of the new North Public Library
- Completed the design of Fire Station #12 and released construction bid solicitation for construction.
- Completed installation of new traffic control signals on Atlantic Avenue at the intersection of Cartagena Street and Marshall Street.
- Completed street improvement project on Long Beach Boulevard from Wardlow Road. to San Antonio Drive.
- Completed street improvement project with new medians on Long Beach Boulevard from San Antonio Drive to Del Amo Boulevard.
- Initiated contract for Atlantic Avenue street work from Bixby Road. to San Antonio Drive and from 52nd Street to South Street.
- Completed installation of fencing at Orizaba Tunnel Mural Site.
- Implement one-way street couplet in Dairy Neighborhood.
- Completed construction of new medians on Atlantic Avenue in front of Jordan High School.
- Continued designs for Del Amo Boulevard median improvement project Long Beach Boulevard to Cherry Avenue.

- Continued designs for Atlantic Avenue median improvement project from Del Amo Boulevard to 56th Street.
- Continued construction of new medians on Long Beach Boulevard from Bort Street to Victoria Street.
- Continued construction on new medians, tree grates and crosswalk pavers on Atlantic Avenue from Bixby Road to San Antonia Drive.
- Continued construction on new medians, tree grates and crosswalk pavers on Atlantic Avenue from 52nd Street to South Street.
- Continued designs for Atlantic Avenue median improvement project from Aloha Street to 59th Street.
- Continued designs for Artesia Boulevard median improvement project from Atlantic Avenue to Obispo Street.
- Entered into a cooperation agreement with the Board of Harbor Commissioners to provide funding for the construction of public improvements.
- Constructed offsite landscape and wayfinding improvements at 600, 700, 870 and 880 Queensway Drive
- Completed construction of the North Village public parking lot at southeast corner of South Street and Linden Avenue.
- Completed Cabrillo High School area median monument sign.

GOAL #5

Facilitate efficient administration of the Project Area.

- Implement North Long Beach Strategic Guide for Redevelopment.
- Implement North Long Beach Street Enhancement Plan.
- Facilitate General Plan and Zoning Ordinance changes to implement Strategic Guide.
- Continue business attraction/retention in North Long Beach.
- Create job opportunities for residents of North Long Beach.
- Implement North Long Beach Design Guidelines.
- Identify sites for redevelopment consistent with the Strategic Guide.
- Provide support to the North Project Area Committee.

ACCOMPLISHMENTS

- Continued to work with Planning and Building Bureaus towards revising the General Plan and Zoning Ordinance for consistency with the North Long Beach Strategic Guide for Redevelopment.
- Continued design of streetscape improvements for Virginia Village.

- Continued to support Economic Development Bureau's business incentive programs.
- Continued implementation of the North Long Beach Design Guidelines.
- Identified southwest corner of Atlantic Avenue and 52nd Street as a potential development site. Initiated acquisition negotiations with various property owners at that site.
- Continued implementation of the Bixby Knolls Design Guidelines.
- Continue to provide staff support to the NPAC.
- Continue to provide staff support to the NPAC subcommittees.

**NORTH LONG BEACH REDEVELOPMENT PROJECT AREA
GOALS AND WORK PLAN FOR FY 2009-2010**

1) Contribute towards neighborhood revitalization

- Continue Neighborhood Enhancement Area program:
 - Sutter School & Coolidge Triangle
 - Jane Addams & Grant School
 - Dairy Avenue & Jordan High School
 - Lindbergh School & Bret Harte
 - DeForest Park & Cal-Cherry
- Continue Multi-Family Improvement program
- Continue Pro-active Code Enforcement program

2) Contribute towards corridor revitalization

- Revitalize existing commercial/retail sites:
 - Bixby Knolls – General
 - Bixby Knolls Shopping Center
 - North Village Center
 - Virginia Village
- Develop new commercial/retail sites:
 - North Village Center
 - NEC Atlantic Avenue and Artesia Boulevard
- Continue Commercial Façade Program.
- Add public parking:
 - North Village Center
 - Virginia Village
- Continue Commercial Fencing Program
- Create new home ownership opportunities with a focus on public transportation:
 - Waite Motel Site

3) Contribute towards open space/public art development

- Continue development of additional open/park space:
 - Scherer Park facility improvements
 - Houghton Park facility improvements
 - Davenport Expansion
 - Oregon Park
- Continue development of public art

4) Contribute towards infrastructure/public improvements

- Continue streetscape improvements

- Continue median improvements
- Fire Station 12
- Fire Station 9
- North Village Library
- Add median and/or streetscape improvements:
 - Del Amo Boulevard
 - Atlantic Avenue and Southern Gateway
 - Artesia Boulevard
 - Long Beach Boulevard

5) Facilitate efficient administration of the Project Area

- Implement North Long Beach Strategic Guide for Redevelopment
- Implement North Long Beach Street Enhancement Plan
- Facilitate business attraction/retention in North Long Beach
- Implement North Long Beach Design Guidelines
- Identify sites for redevelopment consistent with the Strategic Guide
- Provide support to the North Project Area Committee