



Legislation Details (With Text)

**File #:** 15-008OB    **Version:** 1    **Name:** 022315-OB-Reso. appr. repayment for Low-& Moderate-Income Housing Asset Fund

**Type:** OB-Resolution    **Status:** Adopted

**File created:** 2/17/2015    **In control:** Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Long Beach

**On agenda:** 2/23/2015    **Final action:** 2/23/2015

**Title:** Recommendation to adopt resolution approving the decision of the City of Long Beach, as the Successor Agency to the Redevelopment Agency of the City of Long Beach, to approve an amended repayment schedule for the amounts of Property Tax funds (formerly 20 Percent Tax Increment Set-Aside) owed by the former Redevelopment Agency to the Low- and Moderate-Income Housing Asset Fund and submit to the State of California Department of Finance for approval.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 022315.ob.item4.pdf, 2. O.B. 05-2015.pdf

| Date      | Ver. | Action By   | Action                           | Result |
|-----------|------|---|----------------------------------|--------|
| 2/23/2015 | 1    | Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Long Beach | approve recommendation and adopt | Pass   |

Recommendation to adopt resolution approving the decision of the City of Long Beach, as the Successor Agency to the Redevelopment Agency of the City of Long Beach, to approve an amended repayment schedule for the amounts of Property Tax funds (formerly 20 Percent Tax Increment Set-Aside) owed by the former Redevelopment Agency to the Low- and Moderate-Income Housing Asset Fund and submit to the State of California Department of Finance for approval.

On February 11, 2014, the Successor Agency reviewed and approved a revised repayment schedule for \$24,721,890 in funds the former Redevelopment Agency (Agency) owes to the Low- and Moderate-Income Housing Asset Fund (LMIHAF) related to the deferral of \$16,361,451 from the Downtown Project Area plus an additional remaining loan balance of \$8,360,439. The Oversight Board of the City of Long Beach as Successor Agency to the Redevelopment Agency of the City of Long Beach (Oversight Board) approved the same schedule on February 24, 2014.

The California Department of Finance (DOF) has requested that the dollar amounts requested for this repayment on each Recognized Obligation Payment Schedule (ROPS) be based on actual dollar amounts and not estimates. Accordingly, the repayment schedule needs to be amended annually based on actual Redevelopment Property Tax Trust Fund (RPTTF) distributions to the Successor Agency. The amount of low- and moderate-income housing funds that can be repaid annually is limited to 50 percent of the residual proceeds paid in the preceding fiscal year less the residuals paid in Fiscal Year 2012-13 (FY12-13).

Following its Finding of Completion, the Successor Agency owed the LMIHAF \$24,721,890. The debt was comprised of \$16,361,451 deferred from the Downtown Redevelopment Project Area’s low- and moderate-income housing set-aside between 1986 and 2001, plus \$8,360,439 borrowed in 2010 to make a state-mandated Supplemental Education Revenue Augmentation Fund (SERAF) payment. The deferral was incurred when the Low- and Moderate-Income Housing Funds were established in the mid-1980s and the Downtown Project Area had pre-existing obligations that precluded making the annual set-aside payments. The loan agreement in 2010 was incurred when the Agency borrowed the entire Fiscal Year 2009-2010 Low- and Moderate-Income Housing Set-Aside amount to assist the Agency with making its SERAF payment. The first payment of \$8,848,132 on the original repayment schedule was made on September 25, 2014, reducing the balance owed to \$15,873,758.

The formula for the repayment amount in FY15-16 is as follows:

$$(FY14-15 \text{ residual proceeds} - FY12-13 \text{ residual proceeds}) \times 50\%$$

or

$$(\$55,080,393 - \$45,018,614) \times 50\% = \$5,030,890$$

The amount of residual Redevelopment Property Tax Trust Fund (RPTTF) proceeds paid to the affected taxing agencies is based on the Remittance Advice provided by the Los Angeles County Auditor-Controller.

The proposed repayment schedule is as follows:

| <b>City's Fiscal Year/<br/>Balance<br/>ROPS Period</b> | <b>Payments<br/>Completed</b> | <b>Payment Request<br/>Based on Actual<br/>Residuals*</b> | <b>Payments Based<br/>on Estimated<br/>Residuals*</b> |
|--|-------------------------------|---|---|
| Beginning Balance<br>\$24,721,890                      |                               |   |   |
| 2013-14/<br>ROPS 14-15A<br>\$15,873,758                | \$8,848,132                   |   |   |
| 2014-15/<br>ROPS 15-16A<br>\$10,843,370                |                               | \$5,030,890   |   |
| 2015-16/<br>ROPS 16-17A                                |                               |   | \$10,843,370  |

\$0

\*Actual repayment amounts will be less than or equal to the maximum amount allowed pursuant to Health and Safety Code Section 34176(e)(6)(B).

The ROPS 16-17A period repayment amount is an estimate. The repayment amounts will be updated annually when the actual fiscal year residual amount is available. Actual repayment amounts will not exceed the maximum amount allowed pursuant to Health and Safety Code Section 34176(e)(6)(B).

This matter will be considered by the Successor Agency to the Redevelopment Agency of the City of Long Beach on February 17, 2015.

Oversight Board action is requested on February 23, 2015, to facilitate DoF review of the amended payment schedule. The FY15-16 repayment is requested on ROPS 15-16A, so DoF review of the amended repayment schedule must be concurrent with review of ROPS 15-16A (July 1 through December 31, 2015). The ROPS is due to the DoF on March 3, 2015.

Approve recommendation.

A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF LONG BEACH AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH APPROVING AN AMENDED REPAYMENT SCHEDULE FOR THE AMOUNTS OF PROPERTY TAX FUNDS THE FORMER REDEVELOPMENT AGENCY OWES TO THE LOW- AND MODERATE-INCOME HOUSING FUND

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APPROVED:

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