



Legislation Details (With Text)

File #: 13-019OB **Version:** 1 **Name:** 110413-OB-Reso Property Tax repayment sched.
Type: OB-Resolution **Status:** Adopted
File created: 10/28/2013 **In control:** Oversight Board of the Successor Agency to the
Redevelopment Agency of the City of Long Beach
On agenda: 11/4/2013 **Final action:** 11/4/2013

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 a repayment schedule for the amounts of Property Tax (formerly 20 Percent Tax Increment Set-Aside) funds the former Redevelopment Agency owes to the Low- and Moderate-Income Housing Fund.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 110413.ob.item2.pdf, 2. O.B. 08-2013.pdf

Date	Ver.	Action By	Action	Result
11/4/2013	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 a repayment schedule for the amounts of Property Tax (formerly 20 Percent Tax Increment Set-Aside) funds the former Redevelopment Agency owes to the Low- and Moderate-Income Housing Fund.

Section 34171 (d)(1) of the California Health and Safety Code defines the meaning of "Enforceable Obligations" in regards to the Dissolution Act (AB x1 26) and the unwinding process of the former redevelopment agencies. In particular, Section 34171 (d)(1)(G) defines an "Enforceable Obligation" as the amounts borrowed from, or payments owing to, the Low- and Moderate-Income Housing Fund of a redevelopment agency that had been deferred as of the effective date of the Dissolution Act, provided that the repayment schedule is approved by the Oversight Board. Upon the Oversight Board's approval of a repayment schedule, the enforceable obligation may be included in a Recognized Obligation Payment Schedule (ROPS) in order to obtain Redevelopment Property Tax Trust Funds to fund the repayments.

Pursuant to Section 34171, the Successor Agency is requesting Oversight Board approval of a repayment schedule for the funds the former Redevelopment Agency (Agency) owes to the Low- and Moderate-Income Housing Fund.

Deferred Downtown 20 Percent Tax Increment

Pursuant to Section 33334.6(d) of the California Health and Safety Code, the Agency was authorized to deposit less than the amount required to be deposited into the Lowand Moderate-Income Housing Fund if the Agency found that the difference between the amount actually deposited and the amount

required to be deposited would be necessary to make payments under existing obligations identified on an adopted Statement of Existing Obligations.

Between 1986 and 2001, the Agency Board adopted resolutions finding that, due to the need to pay existing obligations in the Downtown Redevelopment Project Area, it was necessary to deposit less than the amount required by statute into the Low- and Moderate-Income Housing Fund. From Fiscal Years 1986 to 2004, the Downtown Redevelopment Project Area's 20 Percent Tax Increment obligation to the Low- and Moderate-Income Housing Fund totaled \$28,074,322. During this time period, the Agency transferred \$11,712,870 in 20 Percent Tax Increment Set-Aside, and deferred \$16,361,451. As a result of positive Downtown Redevelopment Project Area cash flows in Fiscal Years 2000, 2002 and 2004, the Tax Increment transfers to the Low- and Moderate-Income Housing Fund were \$2.8 million more than the required 20 percent transfer, thereby reducing the deferred balance. Between Fiscal Years 2005 and 2011, the Agency transferred the full Downtown Redevelopment Project Area 20 Percent Tax Increment obligation to the Low- and Moderate-Income Housing Fund, and no funds were deferred. Please see Exhibit A for an accounting of the deferrals.

Pursuant to Section 33334.6(g) of the California Health and Safety Code, these Tax Increment deferrals created a deficit for the Downtown Redevelopment Project Area, and the Agency was required to adopt a plan to eliminate the deficit. In 1995, the Agency approved Resolution R.A. 21-95 adopting a plan for the repayment of the deferred set-aside commencing upon the termination of the Downtown Redevelopment Project Area. Prior to the Agency's dissolution, it was anticipated that upon the termination of the Downtown Redevelopment Project Area in 2017, a larger portion of the tax increment would be available for debt service and the Agency could begin to repay the deferred tax increment to the Low- and Moderate-Income Housing Fund.

Repayment Schedule

The proposed repayment schedule is as follows:

Fiscal Year	Payment Amount	Balance
Beginning Deferred Balance		\$16,361,451
2015/16 - ROPS 15-16A	\$8,180,726	\$ 8,180,725
2016/17 - ROPS 16-17A	\$8,180,725	\$ 0

As of January 1, 2013, amounts owed to the Low- and Moderate-Income Housing Fund totaled \$16.3 million.

The above repayment amounts are estimates based on a schedule to retire the debt by September 2017, and are subject to change. The State Department of Finance and County Auditor-Controller have ultimate approval authority as to the amounts available for repayment.

This matter was approved by the Successor Agency to the Redevelopment Agency of the City of Long Beach on October 22, 2013.

Should the Oversight Board approve the recommended repayment schedule, funds to repay the Low- and Moderate-Income Housing Fund are anticipated to be included on ROPS 15-16A (July-December 2015), at the earliest, which will be presented to the Oversight Board in February 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 A REPAYMENT SCHEDULE FOR THE AMOUNTS OF PROPERTY TAX FUNDS THE FORMER REDEVELOPMENT AGENCY OWES TO THE LOW AND MODERATE INCOME HOUSING FUND

APPROVED:

PATRICK H. WEST
CITY MANAGER