



Legislation Details (With Text)

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Title: Recommendation to approve an amended repayment schedule for the amounts of Property Tax funds (formerly 20 Percent Tax Increment Set-Aside) the former Redevelopment Agency owes to the Low- and Moderate-Income Housing Asset Fund. (Citywide)

Sponsors:

Indexes: Amendments

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Attachments: 1. 021715.sa.item4.pdf

Date	Ver.	Action By	Action	Result
2/17/2015	1	As the Successor Agency to the Redevelopment Agency of the City of Long Beach	approve recommendation	Pass

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

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:

City's Fiscal Year/ Balance ROPS Period	Payments Completed	Payment Request Based on Actual Residuals*	Payments Based on Estimated Residuals*
Beginning Balance \$24,721,890			
2013-14/ ROPS 14-15A \$15,873,758	\$8,848,132		
2014-15/ ROPS 15-16A \$10,843,370		\$5,030,890	
2015-16/ ROPS 16-17A \$0			\$10,843,370

*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 was reviewed by Deputy City Attorney Richard Anthony on January 28, 2015, and by Budget Management Officer Victoria Bell on January 29, 2015.

Successor Agency approval is requested to allow for submittal to the Oversight Board on February

23, 2015, and to the DOF for final approval.

Repayments to the LMIHAF will come from property taxes in the RPTTF administered by the County Auditor-Controller, which will satisfy amounts owed to the Housing Development Fund (SR 135) in the Department of Development Services (DV).

Approve recommendation.

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER