



CITY OF LONG BEACH **R-12**

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 4th Floor Long Beach, CA 90802 Phone: 570.6428 Fax: 570.6205

October 14, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached resolution finding that the use of taxes allocated to the North Long Beach Redevelopment Project on behalf of the Central Long Beach Redevelopment Project for the purpose of increasing, improving, and preserving the community's supply of low- and moderate-income housing will be of benefit to the North Long Beach Redevelopment Project. (Citywide)

DISCUSSION

As part of the Fiscal Year 2009 (FY09) budget process, the City Council approved the Long Beach Redevelopment Agency's (Agency) budget, which included a loan repayment to the General Fund. The FY09 loan repayment from the Central Long Beach Redevelopment Project is \$2.3 million. To make the loan repayment possible, the North Long Beach Redevelopment Project will transfer the same amount of funds to the City's Low- and Moderate-Income Housing Fund on behalf of the Central Long Beach Redevelopment Project.

California Health and Safety Code Section 33334.2 requires the Agency and City Council to make a finding that the payment of additional housing set-aside is of benefit to the project area making the additional payment. This finding of benefit is necessary in order for the North Long Beach Redevelopment Project to pay a portion of the Central Long Beach Redevelopment Project's housing set-aside obligation. The Agency passed a resolution making such a finding on June 16, 2008. Therefore, it is necessary for the City Council to take a similar action approving the transfer.

This letter was reviewed by Assistant City Attorney Heather Mahood on September 22, 2008, and by Budget Management Officer Victoria Bell on September 26, 2008.

TIMING CONSIDERATIONS

City Council action is requested on October 14, 2008, to expedite repayment of the loan.

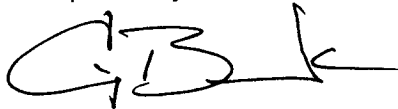
FISCAL IMPACT

The \$2.3 million transfer of funds is included in both the Agency's FY09 budget and the City's FY09 General Fund budget. Approval of the attached resolution will provide \$2.3 million in revenue to be deposited in the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CRAIG BECK
DIRECTOR OF DEVELOPMENT SERVICES

CB:AJB:LAF:laf
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Attachment: City Council Resolution

APPROVED:



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH FINDING THAT THE USE OF TAXES ALLOCATED TO THE NORTH REDEVELOPMENT PROJECT ON BEHALF OF THE CENTRAL REDEVELOPMENT PROJECT FOR THE PURPOSE OF INCREASING, IMPROVING AND PRESERVING THE COMMUNITY'S SUPPLY OF LOW-AND-MODERATE-INCOME HOUSING WILL BE OF BENEFIT TO THE NORTH REDEVELOPMENT PROJECT

WHEREAS, the Redevelopment Agency of the City of Long Beach, California (the "Agency"), adopted redevelopment plans for the North Long Beach Redevelopment Project (the "North Project") and the Central Long Beach Redevelopment Project (the "Central Project"); and

WHEREAS, Section 33334.2 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) requires that not less than twenty percent (20%) of all taxes allocated to each project area be used by the Agency for the purpose of increasing, improving and preserving the community's supply of low-and-moderate-income housing available at affordable housing cost; and

WHEREAS, the Agency desires to utilize funds presently allocated to the North Project to assist the Central Project in meeting its twenty percent (20%) set aside obligation; and

WHEREAS, Section 33334.3 of the Community Redevelopment Law provides that the Agency may use such funds in this manner if a finding is made by resolution of the Agency and the City Council that such use will be of benefit to the North Project;

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
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NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. That the use of taxes allocated to the North Project to assist the Central Project's obligation of increasing, improving and preserving the community's supply of low-and-moderate-income housing available at affordable housing cost will be of benefit to the North Project.

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

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2008, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

HAM:fl
6/3/08
#A08-01575