



# CITY OF LONG BEACH

AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

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February 21, 2012

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
OF THE CITY OF LONG BEACH  
City of Long Beach  
California

## RECOMMENDATION:

Receive and file the Enforceable Obligation Payment Schedule listing the total outstanding debts of the former Long Beach Redevelopment Agency as of August 28, 2011; and,

Approve the Initial Recognized Obligation Payment Schedule for the enforceable obligations of the former Long Beach Redevelopment Agency due from October 1, 2011 to July 1, 2012. (Citywide)

## DISCUSSION

Section 34177(l)(2)(A) of AB1X 26 requires the Successor Agency to prepare an Initial Recognized Obligation Payment Schedule (IROPS) by March 1, 2012. The attached IROPS lists dates, amounts and payment sources for obligations of the former Long Beach Redevelopment Agency due from October 1, 2011 through June 30, 2012 (Exhibit A). A draft IROPS was transmitted to the Successor Agency on January 30, 2012, also as required by AB1X 26.

The IROPS is based on the Enforceable Obligation Payment Schedule (EOPS), a list of the total outstanding debts and obligations of the former Long Beach Redevelopment Agency as of August 28, 2011. The Redevelopment Agency Board approved the EOPS on January 27, 2012 and it was transmitted to the Successor Agency on January 30, 2012. A copy of the approved EOPS is attached for receipt and file (Exhibit B).

AB1X 26 requires the IROPS to identify the source of payment for each obligation from among the following:

- Low and Moderate Income Housing Fund
- Bond Proceeds
- Reserve Balances
- Administrative Cost Allowance
- The Redevelopment Property Tax Trust Fund (maintained by the County)
- Other revenue sources including rents, interest earnings and asset sale proceeds

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As stated above, the IROPS must be adopted by the Successor Agency by March 1, 2012. A copy of the approved IROPS must then be submitted to the County Auditor-Controller, the State Controller and the Department of Finance, and posted on the Successor Agency's web site by April 15, 2012. Once received, the IROPS must be reviewed and certified by the County Auditor-Controller. Once certified, it will be submitted to the Oversight Board for its approval as mandated by law.

For the six-month fiscal period beginning July 1, and for each six-month period thereafter, the Successor Agency must prepare and approve a new ROPS. Each January 16 and June 1, the County Auditor-Controller will allocate revenue from the Redevelopment Property Tax Trust Fund for payments listed on the ROPS for that period.

This matter was reviewed by Deputy City Attorney Richard Anthony on February 6, 2012 and by Budget Management Officer Victoria Bell on February 3, 2012.

TIMING CONSIDERATIONS

Successor Agency action is requested on February 21, 2012, to comply with the court-mandated deadline of March 1, 2012, to approve the IROPS.

FISCAL IMPACT

As noted in prior Council letters, the flow, timing, amount and type of funds available to pay its obligations is uncertain due to AB1X 26's lack of clarity. As it stands now, prior to review by the Oversight Board, the IROPS provides for more than \$97 million in scheduled expenditures from February 1 to June 30, 2012, to be defrayed by the reserve balances of the former Redevelopment Agency, the balance of the Low- and Moderate-Income Housing Fund, bond proceeds, the administrative allowance provided for by AB1X 26, and the Redevelopment Property Tax Trust Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

  
PATRICK H. WEST  
CITY MANAGER

PHW:AJB:RMZ:DLH

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Attachments: Exhibit A - Initial Recognized Obligation Payment Schedule  
Exhibit B - Enforceable Obligation Payment Schedule