

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the
City of Long Beach, California)**

Annual Financial Report

For the Fiscal Year Ended September 30, 2010

CITY OF LONG BEACH, CALIFORNIA

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
September 30, 2010

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Members of the Redevelopment Agency Board

	<u>Term Expires</u>
William E. Baker, Chair	June 2011
Diane L. Arnold, Vice Chair	June 2011
John L. Cross	June 2011
Teer L. Stricklan	June 2012
John W. Thomas	June 2011
Vivian M. Tobias	June 2009*
Julie F. Heggeness	June 2014

Management

Amy J. Bodek, Executive Director

Lisa A. Fall, Assistant Executive Director

* Term extended

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Independent Auditors Report



KPMG LLP
Suite 700
20 Pacifica
Irvine, CA 92618-3391

Independent Auditors' Report

The Honorable Mayor and City Council
City of Long Beach, California

The Honorable Members of the Redevelopment Agency Board
City of Long Beach, California:

We have audited the accompanying combined financial statements of the governmental activities and each major fund of the Redevelopment Agency of the City of Long Beach (the Agency), a component unit of the City of Long Beach, California (the City) and of the City of Long Beach Low- and Moderate-Income Housing Fund, as of and for the year ended September 30, 2010, which collectively comprise the Agency's combined financial statements as listed in the table of contents. These combined financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed more fully in note 1 to the combined financial statements, the Agency has prepared these combined financial statements using accounting practices required by the State of California Health and Safety Code Section 33080.1, which practices differ from U.S. generally accepted accounting principles. The funds included in the Low- and Moderate-Income Housing Fund columns presented in these combined financial statements are not maintained by the Agency, and accordingly, are not includable in financial statements prepared in accordance with U.S. generally accepted accounting principles. However, State of California Health and Safety Code Section 33080.1 requires the Agency to prepare financial statements that include these funds. The effect on these combined financial statements of the inclusion of these funds is apparent in the columns labeled Low- and Moderate-Income Housing Fund.



In our opinion, because of the effects of including the Low- and Moderate-Income Housing Fund as a separate column in the Agency's combined financial statements, the combined financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the Agency as of September 30, 2010, or the changes in the Agency's financial position for the year then ended.

However, in our opinion, the combined financial statements referred to above do present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency and the Low- and Moderate-Income Housing Fund as of September 30, 2010, and the respective changes in financial position for the year then ended, on the basis of accounting described in note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2010 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope and our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 5 through 13 is not a required part of the financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation or the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the combined financial statements of the Redevelopment Agency of the City of Long Beach and the Low- and Moderate-Income Housing Fund. The accompanying information identified in the table of contents as supplementary financial information and general information is presented for the purposes of additional analysis and is not a required part of the combined financial statements. The accompanying statements and schedules included in the supplementary financial information section have been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, are fairly stated in all material respects, in relation to the combined financial statements taken as a whole. The accompanying information in the general information section has not been subjected to the auditing procedures applied in the audit of the combined financial statements, and accordingly, we express no opinion on it.

KPMG LLP

March 30, 2010

Management's Discussion and Analysis

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The information presented in the "Management's Discussion and Analysis" (MD&A) is intended to be a narrative overview and analysis of the Redevelopment Agency of the City of Long Beach's (Agency) financial activities for the fiscal year ended September 30, 2010. We encourage readers to consider this information in conjunction with the accompanying combined financial statements. The MD&A includes only the activity of the Agency and excludes the Low- and Moderate-Income Housing Fund.

Financial Highlights

Government-wide

- The liabilities of the Agency exceeded its assets at September 30, 2010, by \$155,420,000. Of this amount, net assets totaling \$140,202,000 are restricted for specific purposes and \$14,003,000 is invested in capital assets net of related debt. The Agency's accumulated net deficit of \$309,625,000 resulted mainly from long-term advances from the City of Long Beach and bonds payable, both intended to be relieved through the use of future tax increment revenues, as well as any other available revenue sources.
- The Agency's total net deficit increased by \$15,169,000. This is the result of total expenses of \$106,266,000 exceeding total revenues of \$91,097,000. A decrease in total revenues from the prior fiscal year of \$11,254,000 was primarily due to a decrease in tax increment revenue of \$9,152,000 along with decreases in charges for services, interest income, and other general revenues. Total expenses increased \$26,192,000 over the prior fiscal year. This increase primarily attributable to the \$29,516,000 Supplemental Educational Revenue Augmentation Fund (SERAF) payment mandated by California State Assembly Bill 26 4x, reduced by the \$8,120,000 capitalization of expenses to fixed assets. In addition, other expenses increased by \$4,287,000 which primarily resulted from an increase in net operating transfers to the City of Long Beach of \$5,193,000 offset by a \$1,014,000 decrease in land transfers.
- The Agency's current and other assets increased by \$40,297,000 during the current fiscal year. The net increase is primarily due to the increases in pooled cash and investments of \$3,656,000, nonpooled cash and investments of \$26,294,000, taxes receivable of \$8,238,000, and land held for resale of \$3,675,000.
- The Agency's current and other liabilities increased by \$15,464,000 during the current fiscal year. This primarily resulted from an increase in deferred revenue related to the year-end accrual of tax increment receivable, an increase in short-term bonds payable, and higher outstanding balances for accounts and vouchers payable.

Fund basis

- As of September 30, 2010, the Agency's governmental funds reported an ending fund balance of \$363,508,000, a \$26,287,000 increase from the prior fiscal year's fund balance of \$337,221,000. This is mainly due to the increase in proceeds from issuance of long-term debt of \$59,854,000, reduced by pass-through charges of \$26,324,000, and a decrease in tax increment revenues of \$9,152,000. The increase

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in pass-through charges results primarily from the State mandated SERAF payment. Lower assessed property values reduced tax increment revenue.

Overview of the Combined Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's combined financial statements. The Agency's combined financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to combined financial statements. This report also contains other supplementary information in addition to the combined financial statements.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private sector business.

The *combined statement of net assets* presents information on all of the Agency's assets and liabilities, with the difference reported as *net assets (deficit)*. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The *combined statement of activities* presents information showing how the Agency's net assets changed during the current fiscal year. Changes in net assets are reported as soon as the underlying event giving rise to change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this combined statement for some items that will only result in cash flows for future fiscal periods. This combined statement shows the extent to which the various functions depend on general taxes and nonprogram revenues for support.

Governmental activities of the Agency include housing, community and economic development, public improvements, and debt service. The activities of the Agency are carried out in seven project areas.

The State of California Health and Safety Code Section 33080.1 requires every redevelopment agency to submit an annual audit of the financial statements of the agency, which presents the results of the operations and financial position of the agency, including all financial activities with moneys required to be held in a separate Low- and Moderate-Income Housing Fund pursuant to Section 33334.3. As such, the Agency has included in the accompanying combined financial statements the Low- and Moderate-Income Housing Fund, which is recorded with the City of Long Beach and the Long Beach Housing Development Company pursuant to Agreement No. 20130. The State of California Health and Safety code Section 33334.2 requires the 20 percent set-aside to be used to increase, improve, and preserve the supply of low- and moderate-income housing within the Agency's territorial jurisdiction.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other units of state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency are classified as governmental funds.

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Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term *inflows* and *outflows* of *spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the Agency's financial resources that are available in the near future to finance various activities.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund combined statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Agency maintains two individual governmental funds: capital projects and debt service. Information for these two funds is presented separately in the governmental fund balance sheet and in the governmental fund combined statement of revenues, expenditures, and changes in fund balance.

The Agency adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for governmental funds as supplementary information to demonstrate compliance with this budget.

Notes to Combined Financial Statements

The notes provide narrative information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the combined financial statements and accompanying notes, this report also includes other supplementary information relating to the Agency's fund financial statements and budgetary comparison to actual expenditures for each of the redevelopment project areas. A schedule of changes in long-term debt has been included in this report.

Government-wide Financial Analysis

The Agency presents its combined financial statements in accordance with Governmental Accounting Standards Board (GASB) guidance. The focus of the analysis is on the current fiscal year's net assets and changes in net assets.

Analysis of Net Assets

Net assets may serve, over time, as a useful indicator of a government's financial position. At September 30, 2010, the Agency's liabilities exceeded its assets by \$155,420,000. Of this amount, \$14,003,000 is invested in capital assets, net of related debt and \$140,202,000 represents restricted net assets for capital projects and debt service.

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The Agency's deficit is intended to be relieved using future Agency revenues. The Agency's deficit resulted from the issuance of long-term debt. This is primarily due to the nature of redevelopment financing, whereby the Agency issues bonds or incurs long-term debt to finance a substantial portion of its redevelopment activities. This activity includes land acquisition, housing, public parking, commercial and retail projects, community development, and other activities. In some cases, assets may be transferred to the City of Long Beach (the City); however, the debt remains with the Agency. The Agency also provides "gap" financing in other types of redevelopment activities; any equity assumed in these projects is usually significantly less than the underlying expenditures. Redevelopment activities are designed to alleviate urban blight, improve property values and, as a result, generate additional tax increment to service the Agency's debt and finance additional projects.

The Agency's current and other liabilities increased by \$15,464,000 during the current fiscal year. The increase primarily resulted from an increase in deferred revenue related to the year-end accrual of tax increment receivable, an increase in short-term bonds payable, and higher outstanding balances for accounts and vouchers payable. The Agency's current and other assets also increased, by \$40,297,000. The net increase is primarily due to the increases in pooled cash and investments of \$3,656,000, nonpooled cash and investments related to the issuance of new bonded debt of \$26,294,000, taxes receivable of \$8,238,000, and land held for resale of \$3,675,000.

The following table summarizes the Agency's net assets (deficit) as of September 30, 2010, with comparative figures for 2009 (in thousands):

	Governmental Activities			
	2010	2009	Change	
			Amount	Percentage
ASSETS				
Current and other assets	\$ 478,193	\$ 437,896	\$ 40,297	9.20
Capital assets	22,060	14,581	7,479	51.29
Total assets	500,253	452,477	47,776	10.56
LIABILITIES				
Current and other liabilities	128,732	113,268	15,464	13.65
Noncurrent liabilities	526,941	479,460	47,481	9.90
Total liabilities	655,673	592,728	62,945	10.62
NET ASSETS				
Invested in capital assets	14,003	4,054	9,949	245.41
Restricted net assets	140,202	101,537	38,665	38.08
Unrestricted deficit	(309,625)	(245,842)	(63,783)	25.94
Total deficit	<u>\$ (155,420)</u>	<u>\$ (140,251)</u>	<u>\$ (15,169)</u>	<u>10.82</u>

Analysis of Changes in Net Assets

During fiscal year 2010, the governmental activities deficit increased by \$15,169,000 from \$140,251,000 to \$155,420,000. Key elements of the governmental activities are as follows:

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Incremental property tax revenues are the Agency's major source of funding for redevelopment activities. For the year ended September 30, 2010, the Agency recognized \$83,610,000 in tax increment revenues. This represents 91.78 percent of the total revenues of \$91,097,000. Current year revenues decreased \$11,254,000 or 11.00 percent. The decrease results from a combination of factors: lower interest rates and average cash balances reduced interest income; and property tax assessment appeals and County Assessor adjustments for prior years' taxes and misplacement of value reduced property tax increment revenue.

Governmental activity expenses totaled \$106,266,000 at September 30, 2010. Community and cultural expenses represent 76.25 percent (\$81,038,000) of this amount. The \$24,059,000 or 42.22 percent increase in community and cultural expenses is primarily attributable to the \$29,516,000 SERAF payment mandated by California State Assembly Bill AB26 x4. An increase in operating transfers to the City of Long Beach contributed to the \$4,287,000 increase in other expenses.

Changes in Net Assets
Years Ended September 30
(In Thousands)

	Governmental Activities			
	2010	2009	Change	
			Amount	Percentage
REVENUES				
Program revenues:				
Operating grants and contributions	\$ 762	\$ 757	\$ 5	0.66
Charges for services	2,161	2,833	(672)	(23.72)
General revenues:				
Incremental property taxes	83,610	92,762	(9,152)	(9.87)
Interest income	1,770	2,504	(734)	(29.31)
Other	2,794	3,495	(701)	(20.06)
Total revenues	<u>91,097</u>	<u>102,351</u>	<u>(11,254)</u>	<u>(11.00)</u>
EXPENSES				
Program expenses:				
General government	379	368	11	2.99
Community and cultural	81,038	56,979	24,059	42.22
Interest in long-term debt	18,234	20,399	(2,165)	(10.61)
Other	6,615	2,328	4,287	184.15
Total expenses	<u>106,266</u>	<u>80,074</u>	<u>26,192</u>	<u>32.71</u>
Change in net asset	(15,169)	22,277	(37,446)	(168.09)
Deficit, October 1	<u>(140,251)</u>	<u>(162,528)</u>	<u>22,277</u>	<u>(13.71)</u>
Deficit, September 30	<u><u>\$(155,420)</u></u>	<u><u>\$(140,251)</u></u>	<u><u>\$ (15,169)</u></u>	<u><u>10.82</u></u>

Community and cultural expenses shown on the combined statement of activities relate to activities intended to relieve urban blight and payments to other government entities. These expenses include costs for the acquisition and development of sites for needed public improvements such as libraries, parks, and street improvements. Other activities to remove blight include the assembly of sites for the private development of housing and commercial and retail facilities. The Agency is also required by Community Redevelopment Law to provide statutory pass-through payments to other government entities.

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Financial Analysis of the Agency's Governmental Funds

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, the fund balance serves as a useful measure of the Agency's net resource available for spending at the end of the fiscal year.

At September 30, 2010, the Agency's governmental funds reported a combined accumulated ending fund balance of \$363,508,000, an increase of \$26,287,000 from the prior fiscal year total of \$337,221,000. This amount consists of fund balance reserved for debt service, land held for resale, long-term receivables, and encumbrances; and fund balance designated for future projects. The portion of the fund balance that is available for spending has been appropriated in fiscal year 2011.

Capital Projects Fund – The Capital Projects Fund is used to account for redevelopment expenditures from tax increment, bond proceeds, federal grants, and project area program income. The Capital Projects Fund is the Agency's principal fund. The accumulated fund balance at September 30, 2010 is \$203,881,000. The Capital Projects Fund fund balance of \$204,028,000 at September 30, 2009 decreased by \$147,000 due to expenditures and other financing uses exceeding revenues and other financing sources. The major items in other financing uses are the transfers from the Agency's Debt Service Fund of \$38,522,000 and proceeds from long-term debt of \$5,972,000. The latter includes \$5,303,000 of the City's Open Space Bonds Series 2006B proceeds advanced to the Agency for acquisition and design costs associated with the development of Craftsman Park, Drake Park, Seaside Park, and the Pacific Electric Right-of-Way. The major items included in the total expenditures of \$45,832,000 are project improvement/construction costs, administrative costs, rehabilitation grants and loans, loss on sale of land held for resale, and the repayment of City advances.

Debt Service Fund – The Debt Service Fund is used to accumulate resources to pay principal and interest and other costs related to the Agency's long-term debt. At September 30, 2010, the Debt Service Fund had a total fund balance of \$159,627,000, of which \$80,813,000 was reserved for debt service, \$56,547,000 for redevelopment projects, and \$22,267,000 for long-term receivables. The net increase in fund balance over the prior year of \$26,434,000 is primarily due to proceeds from the issuance of \$32,980,000 in new Bonds during the 2010 fiscal year.

Governmental Fund Budgetary Highlights

A comparison between the initial budget and the final amended budget for the Agency's governmental funds shows a net increase in expenditures from \$210,947,000 to \$241,637,000 or \$30,690,000. The increase is mainly due to anticipated expenditures for project improvement/construction costs, administration costs, and fiscal agent fees.

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The Agency's governmental funds had a net fund balance variance of \$180,741,000. The entire amount is committed to be spent in various project areas in the next fiscal year. The budget variances by project area are summarized under the Supplementary Financial Information sections of this report.

Capital Assets and Debt Administration

Capital Assets

The Agency's investments in capital assets for its governmental activities as of September 30, 2010 comprise \$13,598,000 for land, \$8,120,000 for construction in progress, and \$342,000 for machinery and equipment, net of accumulated depreciation. Additional information on the Agency's capital assets can be found in note 5 to the combined financial statements.

Capital Assets, Net of Depreciation
Years Ended September 30

	2010	2009
Capital Assets not being depreciated		
Land	\$ 13,598	\$ 13,802
Construction in Progress	8,120	-
Capital Assets being depreciated		
Buildings	-	419
Machinery and Equipment	342	360
Total Net Capital Assets	<u>\$ 22,060</u>	<u>\$ 14,581</u>

The \$8,120,000 construction in progress is made up of construction work, remediation services, architectural services, engineering services, and construction management completed on Parks.

Long-Term Liabilities

At September 30, 2010, the Agency's long-term liabilities totaled \$537,124,000. This amount includes the current portion of bond indebtedness and is net of unamortized bond discount and loss on defeasance. This is summarized as follows in the table below (in thousands).

Agency's Long-Term Debt
Years Ended September 30

	2010	2009
Tax allocation bonds	\$ 346,581	\$ 323,092
Notes payable	3,841	3,284
Advances from the City of Long Beach	148,248	144,893
Advances from Low- and Moderate-Income Housing Fund	38,454	17,321
Total	<u>\$ 537,124</u>	<u>\$ 488,590</u>

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Advances from the Low- and Moderate-Income Housing Fund increased \$21,133,000. The Agency deferred payment of the current fiscal year's entire housing set-aside payment (\$20,902,000) to enable the Agency to meet the state mandated Supplemental Educational Revenue Augmentation Fund (SERAF). Additionally, the Low- and Moderate-Income Housing Fund advanced \$220,000 to the Central Long Beach project Area for the acquisition of land located at 2175 Atlantic Avenue, and \$11,000 additional interest accrued on an outstanding advance to the Central Long Beach project area for the construction of the Atlantic Project.

The Agency's total bonded indebtedness at September 30, 2010 was \$346,581,000. The bonds are secured solely by property tax increment. During year ended September 30, 2010, Agency bonds were rated in a range BBB to A-. In the year ended September 30, 2009, Agency bonds were rated in a range BBB to A-.

Additional information on the long-term liabilities can be found in Notes 7, 8, and 9 of the combined financial statements.

The time limits for the project areas as of September 30, 2010 are summarized in the following table:

<u>Project Area</u>	<u>Date Adopted</u>	<u>Time Limit for Incurring Indebtedness</u>	<u>Termination Date</u>	<u>Time Limit for Repayment of Indebtedness</u>
Central Long Beach	03/06/2001	03/06/2021	03/06/2032	03/06/2047
Downtown	06/17/1975	01/01/2004	06/17/2017	06/17/2027
Los Altos	12/10/1991	12/10/2011	12/10/2032	12/10/2042
Poly High	04/03/1973	None	04/03/2016	04/03/2026
West Beach	07/21/1964	None	01/01/2012	01/02/2022
West Long Beach Industrial	07/01/1975	None	07/01/2015	07/01/2025
North Long Beach	07/16/1996	07/16/2016	07/16/2027	07/16/2042

Future Outlook – Economic Factors and Next Year's Budget

- Assessed property values reported by the Los Angeles County Assessor for fiscal year 2010 decreased within five of the Agency's seven project areas by an average of .4%. It is anticipated that this trend will continue in fiscal year 2011.
- Legislation passed in July 2009 required the Agency to pay \$29,516,137 to the Supplemental Educational Revenue Augmentation Fund (SERAF) in May 2010. This legislation also mandated a \$6.1 million SERAF payment in 2011. A lawsuit filed to challenge the constitutionality of the SERAF payments failed at the Trial Court level. An appeal has been filed. Should the appeal be successful, the Agency reserves the right to recover these amounts paid, with interest. However, recovery would require the amounts to be included in a future state budget and so probability of recovery is considered remote.
- As a means to bridge the anticipated \$25 billion deficit in the State's 2011-2012 fiscal year budget, the Governor has proposed legislation to eliminate existing redevelopment agencies. Under the legislation Agencies would not be allowed to incur new obligations

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and "successor agencies" would be created to retire RDA debts in accordance with existing payment schedules and begin to "wind down" Agency operations.

- Further, the allocation of Property Tax Increment that would otherwise be made to Redevelopment Agencies would be allocated instead for General Fund budget relief in 2011-2012 fiscal year. In subsequent years, these funds would be allocated to cities, and other taxing agencies, in accordance with existing property tax allocation formulas.
- Approval of this proposed legislation would result in the termination of the Agency's ability to receive Tax Increment to fund current and future projects and programs for the removal of blight in the seven Redevelopment Project Areas. Agency and City staff have been in communication with other cities and Redevelopment Agencies, and representatives of the executive and legislative branches of state government to discuss alternative to elimination of Redevelopment Agencies to assist the state in achieving deficit reduction targets.

All of the above economic factors were considered in preparing the Agency's budget for fiscal year 2011.

Request for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

City of Long Beach
Department of Financial Management
333 W. Ocean Boulevard, 6th Floor
Long Beach, California 90802

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COMBINED FINANCIAL STATEMENTS

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combined Statement of Net Assets
September 30, 2010
(In Thousands)

	Governmental Activities		
	<u>Governmental Activities</u>	<u>Low- and Moderate-Income Housing Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Pooled cash and investments	\$ 68,034	\$ 27,705	\$ 95,739
Nonpooled cash and investments	60,210	-	60,210
Short-term investments (nonperforming)	110	84	194
Interest receivable	155	-	155
Taxes receivable	100,424	-	100,424
Accounts and loans receivables	442	3	445
Due from other governments	245	-	245
Other assets	1	50	51
Land held for resale	181,039	311	181,350
Noncurrent assets:			
Nonpooled investments	38,358	-	38,358
Advances to the City of Long Beach	22,267	855	23,122
Advances to Housing Development Company	-	2,421	2,421
Advances to the Redevelopment Agency	-	38,454	38,454
Other noncurrent receivables	5,286	41,649	46,935
Other assets	1,622	-	1,622
Capital assets:			
Land and other assets not being depreciated	21,718	1,101	22,819
Buildings, improvements, and equipment, net of accumulated depreciation	342	1,103	1,445
Total assets	<u>500,253</u>	<u>113,736</u>	<u>613,989</u>
LIABILITIES			
Current liabilities:			
Accounts and vouchers payable	7,864	368	8,232
Accrued wages and other benefits	213	98	311
Accrued claims and judgments	210	-	210
Accrued interest payable	5,216	536	5,752
Due to the City of Long Beach	108	50	158
Due to the Low- and Moderate-Income Housing Fund	50	-	50
Deferred revenue, credits, and other payable	104,888	13	104,901
Bonds payable within one year	10,183	-	10,183
Other long-term obligations-current	-	13	13
Noncurrent liabilities:			
Advances from the City of Long Beach	148,248	-	148,248
Advances from Low- and Moderate-Income Housing Fund	38,454	-	38,454
Bonds payable	336,398	-	336,398
Other long-term obligations	3,841	1,025	4,866
Total liabilities	<u>655,673</u>	<u>2,103</u>	<u>657,776</u>
NET ASSETS (DEFICIT)			
Invested in capital assets, net of related debt	14,003	1,189	15,192
Restricted for:			
Debt service	83,258	-	83,258
Operations and maintenance	-	73	73
Capital/Housing projects	56,944	20	56,964
Unrestricted (deficit)	(309,625)	110,351	(199,274)
Total net assets (deficit)	<u>\$ (155,420)</u>	<u>\$ 111,633</u>	<u>\$ (43,787)</u>

The notes to the combined financial statements are an integral part of this statement.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combined Statement of Activities
Year Ended September 30, 2010
(In Thousands)

Functions/Programs	Governmental Activities						Total
	Expenses	Program Revenues			Net (Expense) and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities Total	Low- and Moderate-Income Housing Fund	
Primary Government:							
General government	\$ 379	\$ -	\$ -	\$ -	\$ (379)	\$ -	\$ (379)
Community and cultural	81,038	2,161	762	-	(78,115)	-	(78,115)
Interest on long-term debt	18,234	-	-	-	(18,234)	-	(18,234)
Total governmental activities	<u>99,651</u>	<u>2,161</u>	<u>762</u>	<u>-</u>	<u>(96,728)</u>	<u>-</u>	<u>(96,728)</u>
Low-and moderate-income housing fund	<u>\$ 11,871</u>	<u>\$ 137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(11,734)</u>	<u>(11,734)</u>
General revenues:							
Taxes:							
Property tax increment				83,610	20,902	104,512	
Other				3,218	-	3,218	
Unrestricted investment earnings				1,770	280	2,050	
Loss on disposal of fixed assets				(424)	-	(424)	
Land transfers				(488)	488	-	
Transfers from/(to) from the Redevelopment Agency				3,322	14,010	17,332	
Transfers from/(to) the City				(9,449)	270	(9,179)	
Total general revenues and transfers				<u>81,559</u>	<u>35,950</u>	<u>117,509</u>	
Change in net assets				(15,169)	24,216	9,047	
Net assets (deficit) – October 1				(140,251)	87,417	(52,834)	
Net assets (deficit) – September 30				<u>\$ (155,420)</u>	<u>\$ 111,633</u>	<u>\$ (43,787)</u>	

The notes to the combined financial statements are an integral part of this statement.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combined Balance Sheet – Governmental Funds
September 30, 2010
(In Thousands)

	Capital Projects Funds	Debt Service Funds	Sub-Total	Low- and Moderate-Income Housing Fund	Total
ASSETS					
Pooled cash and investments	\$ 25,604	\$ 42,430	\$ 68,034	\$ 27,705	\$ 95,739
Nonpooled cash and cash equivalents	-	60,210	60,210	-	60,210
Short-term investments nonperforming	110	-	110	84	194
Interest receivable on investments	-	155	155	-	155
Taxes receivable	-	100,424	100,424	-	100,424
Accounts and loans receivable	102	340	442	3	445
Receivables from other governments	68	177	245	-	245
Nonpooled investments	-	38,358	38,358	-	38,358
Advances to Housing Development Co.	-	-	-	2,421	2,421
Advances to the City of Long Beach	-	22,267	22,267	855	23,122
Advances to Redevelopment Agency	-	-	-	38,454	38,454
Land held for resale	181,039	-	181,039	311	181,350
Other assets	1,623	-	1,623	50	1,673
Long-term receivables	5,286	-	5,286	41,649	46,935
TOTAL ASSETS	\$ 213,832	\$ 264,361	\$ 478,193	\$ 111,532	\$ 589,725
LIABILITIES					
Vouchers payable	\$ 2,540	\$ -	\$ 2,540	\$ -	\$ 2,540
Accounts payable	1,214	4,110	5,324	368	5,692
Accrued wages payable	213	-	213	98	311
Accrued claims and judgments	10	200	210	-	210
Collections held in trust	207	-	207	13	220
Deferred revenue	5,609	100,424	106,033	41,649	147,682
Due to other funds	158	-	158	50	208
TOTAL LIABILITIES	9,951	104,734	114,685	42,178	156,863
FUND BALANCE					
Reserved:					
Land held for resale	181,039	-	181,039	311	181,350
Future projects	-	56,547	56,547	-	56,547
Encumbrances	2,992	-	2,992	33	3,025
Debt service	-	80,813	80,813	-	80,813
Long-term receivables	1,676	22,267	23,943	41,731	65,674
Other	-	-	-	73	73
Unreserved:					
Designated for future projects	18,174	-	18,174	27,206	45,380
TOTAL FUND BALANCE	203,881	159,627	363,508	69,354	432,862
TOTAL LIABILITIES AND FUND BALANCE	\$ 213,832	\$ 264,361	\$ 478,193	\$ 111,532	\$ 589,725

The notes to the combined financial statements are an integral part of this statement.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Reconciliation of Combined Balance Sheet of Governmental Fund Balance to the
Combined Statement of Net Assets (Deficit)
September 30, 2010
(In Thousands)

	<u>Capital Projects/Debt Service Funds</u>	<u>Low- and Moderate-Income Housing Fund</u>
Amounts reported for governmental activities in the statement of net assets (deficit) are different because:		
Total governmental fund balance	\$ 363,508	\$ 69,354
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds. (note 5)	22,060	2,204
Advances due from/to the primary government are considered to be an external activity that is reported only in the government-wide financial statements. (note 6)	(186,702)	-
Because the focus of governmental funds is short-term financing, some assets will not be available for current period expenditures. Those assets are offset by deferred revenue in the funds. (note 15)	1,352	41,649
Governmental long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (note 3)	<u>(355,638)</u>	<u>(1,574)</u>
Net assets (deficit) of governmental activities	<u>\$ (155,420)</u>	<u>\$ 111,633</u>

The notes to the combined financial statements are an integral part of this statement.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
Year Ended September 30, 2010
(In Thousands)

	Capital Projects Funds	Debt Service Funds	Sub-Total	Low- and Moderate-Income Housing Fund	Total
REVENUES					
Property tax increment	\$ -	\$ 83,610	\$ 83,610	\$ 20,902	\$ 104,512
Transient occupancy tax	-	3,218	3,218	-	3,218
Interest income	335	1,434	1,769	260	2,029
Rental income	1,120	-	1,120	118	1,238
Other income	1,276	527	1,803	561	2,364
TOTAL REVENUES	2,731	88,789	91,520	21,841	113,361
EXPENDITURES					
Administrative costs	9,620	2,020	11,640	3,149	14,789
Professional services	642	28	670	318	988
Planning, survey, and design	1,702	-	1,702	-	1,702
Acquisition expense	446	-	446	-	446
Operation of acquired property	1,589	-	1,589	291	1,880
Relocation costs	112	-	112	20	132
Relocation payments	911	-	911	-	911
Site clearance costs	340	-	340	-	340
Project improvement/construction costs	18,529	-	18,529	227	18,756
Disposal costs	37	-	37	-	37
Interdepartmental charges	-	-	-	732	732
Loss on sale of land held for resale	2,396	-	2,396	6,577	8,973
Rehabilitation grants and loans	6,031	-	6,031	5,279	11,310
Furniture, fixtures, and equipment	74	-	74	-	74
Pass-through charges	396	44,545	44,941	-	44,941
Debt service payments:					
Bonds and notes payable – principal	-	9,130	9,130	-	9,130
City/County advances and loans – principal	2,471	-	2,471	-	2,471
Interest	536	17,087	17,623	-	17,623
Fiscal agent fees	-	33	33	-	33
TOTAL EXPENDITURES	45,832	72,843	118,675	16,593	135,268
Excess (deficiency) of revenues over (under) expenditures	(43,101)	15,946	(27,155)	5,248	(21,907)
OTHER FINANCING SOURCES AND (USES)					
Proceeds from issuance of long-term debt	5,972	53,882	59,854	-	59,854
Land transfers, net	(285)	-	(285)	243	(42)
Transfers to Capital Projects from Debt Service	38,522	(38,522)	-	-	-
Transfers from Low- and Moderate-Income Housing Fund	(8)	3,330	3,322	14,010	17,332
Transfers from the City	68	-	68	270	338
Transfers to the City	(1,315)	(8,202)	(9,517)	-	(9,517)
TOTAL OTHER FINANCING SOURCES (USES)	42,954	10,488	53,442	14,523	67,965
Net change in fund balances	(147)	26,434	26,287	19,771	46,058
Fund Balance – October 1	204,028	133,193	337,221	49,583	386,804
FUND BALANCE – SEPTEMBER 30	\$ 203,881	\$ 159,627	\$ 363,508	\$ 69,354	\$ 432,862

The notes to the combined financial statements are an integral part of this statement.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Reconciliation of Combined Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds
to the Combined Statement of Activities
Year Ended September 30, 2010
(In Thousands)

	Capital Projects/Debt Service Funds	Low- and Moderate-Income Housing Fund
Amounts reported for governmental activities in the combined statement of activities are different because:		
Excess of revenue and other sources over expenditures and other uses – total governmental funds.	\$ 26,287	\$ 19,771
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life and reported as depreciation expense. This is the depreciation amount in the current period, net of additions. (note 5)	7,479	181
The Agency records advances from/to the primary government only in government-wide financial statements. Therefore, interest and principal thereon are eliminated in the governmental funds.	(24,487)	11
Governmental funds report expenditures pertaining to the establishment of certain long-term loans made. Payments on these long-term receivables are recorded as revenue in the governmental funds. These deferred credits are not reported on the combined statement of net assets, and therefore, the corresponding net expense is not reported on the combined statement of activities.	-	4,257
The issuance of long-term debt (for example, bonds and leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the combined statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (note 3)	(24,299)	-
Some expenses reported in the combined statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (note 3)	(149)	(4)
Change in net assets in governmental activities.	\$ (15,169)	\$ 24,216

The notes to the combined financial statements are an integral part of this statement.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2010

Note 1 – Description of Entity, Funds, and Summary of Significant Accounting Policies

Reporting Entity

The Redevelopment Agency of the City of Long Beach (the Agency) was established by action of the City Council in 1961 under provisions of State Law. The Agency is an independent public agency governed by a board comprising seven citizens who are appointed by the Mayor of the City of Long Beach and confirmed by the City Council. The City Council approves the Agency's annual budget and subsequent changes for the year. The City Council also approves all decisions that impact the Agency's fiscal operations, such as the determination of the redevelopment project areas and changes thereto, issuance of bonds, and sale of properties. The City has financial oversight responsibility over the Agency and provides all staff, treasury management and investment analysis, facilities, and administrative services to conduct the Agency's daily operations.

The Agency is a component financial reporting unit of the City of Long Beach, California (City). In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, the Agency's financial activities are included in the City's Comprehensive Annual Financial Report as a blended component unit.

The State of California Health and Safety Code Section 33080.1 requires every redevelopment agency to submit an annual audit of the combined financial statements of the agency, which presents the results of the operations and financial position of the agency, including all financial activities with moneys required to be held in a separate Low- and Moderate-Income Housing Fund pursuant to Section 33334.3. As such, the Agency has included in the accompanying combined financial statement the Low- and Moderate-Income Housing Fund using accounting practices required by the State of California Health and Safety Code Section 33080.1, which practices differ from U.S. generally accepted accounting principles. The significant differences in accounting practices include the presentation of the Low- and Moderate-Income Housing Fund in the financial statements. The funds included in the Low- and Moderate-Income Housing Fund columns presented in these combined financial statements are recorded within the City of Long Beach and the Long Beach Housing Development Company pursuant to Agreement No. 20130 and are not maintained by the Agency. The State of California Health and Safety Code Section 33334.2 requires the 20 percent set-aside tax increment revenues to be used to increase, improve, and preserve the supply of low- and moderate-income housing within the Agency's territorial jurisdiction.

Governmental Funds

The accounts of the Agency are organized and operated on the basis of separate funds, each of which is defined as a separate fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

Capital Projects Fund – set up to account for financial resources to be used for land acquisition, relocation, demolition, public improvements, and sale of properties within the redevelopment project areas in accordance with the California Redevelopment Law. Redevelopment projects are financed with property tax

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2010**

increment funds, developers' contributions, grant funds, loans and operating transfers from the City, and bond proceeds.

Debt Service Fund – set up to account for the accumulation of resources for, and the payment of, long-term debt principal and interest and other related costs, primarily from property tax increment revenues.

Low- and Moderate-Income Housing Fund

Low- and Moderate-Income Housing Fund was set up by the City to account primarily for the 20 percent tax increment housing set-aside revenue, used to provide housing for low-and moderate-income households, as required under California Redevelopment Law Section 33334.3.

Basis of Accounting and Measurement Focus and Financial Statement Presentation

The government-wide financial statements (i.e., the combined statement of net assets and the combined statement of activities) are reported using the accrual basis of accounting and economic resources measurement focus. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

In the combined statement of net assets, the amounts paid to acquire capital assets are capitalized as assets, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities, rather than as other financing sources. Amounts paid to reduce long-term indebtedness are reported as reductions of the related liability, rather than as expenditures.

In the combined statement of activities, expenses are directly identified with a specific function or segment and are offset by program revenues. Taxes and other resources not appropriately included among program income are reported as general revenues.

The governmental fund financial statements are reported using the modified accrual basis of accounting and the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting, other than debt service expenditures. The matured principal and accrued interest on long-term debt are recorded when payment is due.

Generally, only current assets and current liabilities are included on the governmental fund balance sheets. However, noncurrent portions of long-term receivables related to governmental funds are also reported on the balance sheets and are offset by deferred revenue or fund balance reserve accounts. Combined statements of revenues, expenditures, and changes in fund balances (deficit) for governmental funds generally present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Notes to Combined Financial Statements

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2010**

Pooled Cash and Investments

In order to enhance investment return, the Agency pools its available cash with that of the City for investment purposes except for the funds held by the outside fiscal agents under the provisions of bond indentures. The cash management pool is used essentially as a demand deposit account by various funds; accordingly, the City has defined Cash and Investments as demand deposits plus all investments maintained in the cash management pool, regardless of maturity period. Investment decisions are made by the City Treasurer in accordance with the City's investment policy. Interest is allocated to the Agency based on the relationship of its daily cash balances to the total pooled cash and investments. Pooled cash and investments are stated at fair value at September 30, 2010.

Long-Term Receivables

In the government-wide combined financial statements, the Agency's loans or long-term receivables are reported net of an allowance for uncollectible accounts. In the fund financial statements, these loans are shown in the balance sheet with an offset to a deferred revenue account or a reservation of fund balance. In the fund financial statements, loans are not available spendable resources and have been recorded as expenditures when the loan was disbursed. Repayments of principal and interest were recorded as revenues in the period received.

Long-Term Obligations

In the government-wide combined financial statements, long-term debt and other liabilities are reported as liabilities in the statement of net assets. Initial-issue bond premiums and discounts, as well as issuance costs, as a policy, are amortized using the straight-line interest method. Bonds payable are reported net of the unamortized portion of applicable premium, discount, or deferred amount on refunding. Amortization of bond premiums or discounts and deferred amounts on refunding are included in interest expense.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of the debt is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Bond issuance costs are reported as debt service expenditures, whether or not withheld from the actual bond proceeds.

Land Held for Resale

To aid in the elimination of blighted areas within the project areas, the Agency acquires selected parcels of land and makes such sites suitable for sale to recognized developers. The purchase price of the land acquired is capitalized as "Land Held for Resale" and the fund balance is reserved for the investment in the land.

Purchased land is recorded at the lower of cost or estimated fair market value excluding demolition and relocation costs, which are considered by the Agency to be expenditures in the year incurred.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2010

Capital Assets

The Agency has adopted the City's policy regarding recordation of capital assets, which is defined as assets with initial individual costs of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost.

Capital assets are depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

Land Improvements	15 – 35 years
Buildings	20 – 50 years
Machinery and Equipment	5 – 20 years
Office Furniture, Fixtures, and Equipment	3 – 20 years

Net Assets and Fund Equity

In the government-wide financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and, unrestricted deficit. Restricted net assets represent net assets restricted by parties outside of the Agency (such as investors, grantors, contributors, laws, and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets, to the extent that restricted net assets remain positive. The Agency's other restricted net assets are temporarily restricted (ultimately expendable assets). All other net assets are considered unrestricted.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not readily available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent Redevelopment Agency Board actions or policies that are subject to change.

Property Tax Increment Revenues

Property tax increment represents the property taxes paid on the increase in assessed property values that result from redevelopment. Tax increment revenue up to the amount necessary to make Agency debt payments reverts to the Agency for the life of the redevelopment project area or until the time limit for repayment of indebtedness established by state law.

Property Tax Calendar

Under the State Constitution, the property tax rate is limited to 1 percent of assessed value, but may be adjusted for specific voter-approved indebtedness. Property taxes are levied by the Los Angeles County (County) Tax Assessor and shared among all other local taxing authorities within the City. Accordingly, the County collects property taxes and distributes such taxes on the basis of the taxing authorities' tax rate percentages, allowing for such adjustments as may be authorized for voter-approved debt. Secured property taxes are levied during September of every year and become a lien on real property on January 1 preceding the fiscal year for which taxes are levied. These tax payments can be made in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10.

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
September 30, 2010**

The Agency recognizes property tax receivable when levied and defers the portion that is neither intended nor available to finance current year expenditures.

Budgetary Principles

The Agency is required to adopt an annual budget on or before September 30 for the ensuing fiscal year for all funds. The legal level of the budgetary control is at the fund. During the fiscal year, the Board may amend its adopted budget by motion and subsequent approval by the City Council. The Agency's executive director may transfer appropriations from one program, activity, or object to another within the same fund type.

Budget information is presented on the budgetary basis of accounting for both the original and final amended budget.

Accounting for Encumbrances

The Agency utilizes an encumbrance system of accounting wherein encumbrances outstanding at year-end are not reported as expenditures, but are reported as a reservation of fund balance available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year.

Implementation of New Accounting Pronouncements

The following summarizes implemented GASB pronouncements and their impact, if any, on the combined financial statements:

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets. Application of this statement was effective for the Agency's fiscal year ended September 30, 2010 and did not materially impact the Agency.

In December 2009, GASB issued Statement No. 57, *OPEB Measurement by Agent Employers*. The statement amends Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, to permit an agent employer that has an individual-employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method, at its option, regardless of the number of total plan members in the agent multiple-employer OPEB plan in which it participates. The Agency has chosen to implement the Statement early making it effective for the Agency's fiscal year ended September 30, 2010. The Statement did not materially impact the Agency.

In December 2009, GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The statement is intended to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy. It requires governments to remeasure liabilities that are adjusted in

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Notes to Combined Financial Statements
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bankruptcy when the bankruptcy court confirms a new payment plan. Governments that have filed for bankruptcy are required to disclose information regarding the pertinent conditions and events giving rise to the petition for bankruptcy, the expected gain, and the effects upon services. For governments that are not expected to emerge from bankruptcy as going concerns, this Statement requires remeasurement of assets to a value that represents the amount expected to be received. Finally, this Statement classifies gains or losses resulting from remeasurement of liabilities and assets as an extraordinary item. Application of this Statement was effective for the Agency's fiscal year ended September 30, 2010 and its application did not materially impact the Agency.

The Agency is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement is intended to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The statement also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements. Application of this statement is effective for the Agency's fiscal year ending September 30, 2011.

In June 2010, GASB issued Statement No. 59, *Financial Instruments Omnibus*. The statement is intended to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The requirements of this Statement will improve financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards. Application of this statement is effective for the Agency's fiscal year ending September 30, 2011.

Personnel

The Agency is supported by employees of the City and appropriate costs are then charged to the Agency. All employee-related costs are accounted for in the City's financial systems.

Estimates

The preparation of the Agency's combined financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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Note 2 – Cash and Investments

The Agency pools its cash and investments with other City funds maintained by the City Treasurer. The Agency's individual cash deposits and investments within this pool are not specifically segregated. Interest income earned on pooled cash and investments is allocated monthly to the various pool participants based on their average daily cash balances.

As a component financial reporting unit of the City, the Agency is authorized to invest in obligations issued or guaranteed by the federal government and its agencies and instrumentalities, high quality commercial paper and medium term corporate notes rated by Standard and Poor's Corporation or Moody's, bankers' acceptances, repurchase agreements, reverse repurchase agreements, bank certificates of deposit, the State Treasurer's Local Agency Investment Fund, and shares of beneficial interest (mutual funds) issued by diversified investment management companies. The City's bank deposits are either covered by federal insurance or collateralized in accordance with the California Government Code. Pooled cash and investment detail is included in the City's CAFR.

Cash with Fiscal Agents

Independent fiscal agents also hold the Agency's funds. These funds are pledged to the payment of outstanding bonds and project costs eligible under the bond indenture for each project area related to the Tax Allocation Bonds 1992, 2002 Series A and B, 2005 Series A, B, and C, and 2010 Series A and B issuance. These funds are reserved in the Debt Service Fund amounting to \$88,568,000. Moneys held by fiscal agents, unless otherwise required by statute, may be invested in accordance with the underlying bond indentures specifying the types of investments the Agency's fiscal agents may make. These underlying indentures are generally more restrictive than the City's general investment policy. Additional types of investments, not permitted by the City's general investment policy, are not authorized.

Cash and Investments as of September 30, 2010 are classified in the Agency's combined financial statements as follows (in thousands):

Combined statement of net assets:	
Cash and investments in City pool	\$ 95,739
Nonpooled investments	
Cash and investments held by bond trustee	88,568
Time Certificates of Deposit	<u>10,000</u>
Total cash and investments	<u>\$ 194,307</u>

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Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the City's investment policy. The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not address debt proceeds held by bond trustee, which are governed by the provisions of debt agreements of the City, rather than the general provision of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Bonds issued by the City	5 years *	30%	None
U.S. Treasury notes, bonds, or bills	5 years *	None	None
Registered state warrants or treasury notes or bonds of the State of California	5 years*	30%	None
Local agency bonds	5 years *	30%	None
Federal agency securities	5 years *	None	None
Bankers' acceptances	180 days	40%	30%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years *	30%	10%
Time certificates of deposit	5 years *	100%	10%
Repurchase agreements	90 days	100%	None
Reverse repurchase agreements	92 days	20%	None
Securities lending program	92 days	20%	None
Medium-term notes	5 years *	30%	10%
Money market funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	\$40 million per account
Asset-backed securities	5 years	20%	None
Mortgage-backed securities	5 years	20%	None

* Maximum maturity of five (5) years unless a longer maturity is approved by the City Council, either specifically or as part of an investment program, at least three (3) months prior to purchase.

Investment policies for nonpooled cash and cash equivalents are guided by bond indenture.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming closer to maturity evenly over time as necessary to provide

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cash flow and liquidity need for operations. The following schedule indicates the interest rate risk of the City's investments, which include the amount the Agency has invested with the City as of September 30, 2010 (in thousands):

<u>Investment Type</u>		<u>Weighted Average Maturity (in years)</u>
Cash and Investments in City Pool:		
Inter-Department Loan (Health SAVRS)	\$ 2,383	8.604
U.S. Treasury Notes	333,400	0.514
Federal Agency Securities	1,136,278	1.036
Money Market Account	137	0.003
Local Agency Investment Fund (LAIF)	50,116	0.003
Government Managed Rate Account	<u>219</u>	0.003
Subtotal City Pool	1,522,533	
Cash and Deposits	113,126	
Outstanding Checks	<u>(12,168)</u>	
Total City Pool	<u>\$ 1,623,491</u>	
Non-Performing Short-Term Investment	<u>\$ 3,962</u>	-
Cash and Investments Held by Bond Trustee:		
Guaranteed Investment Contracts	\$ 48,263	21.295
Money Market Funds	120,383	-
U.S. Treasury Notes	79,995	1.239
Federal Agency Securities	49,758	2.620
Time Certificates of Deposit	10,000	1.000
City Bonds	<u>1,726</u>	8.675
Total Held by Bond Trustees	<u>\$ 310,125</u>	

The Agency cash and investments amount of \$95,739,000 is 5.90 percent of the City's pooled cash and investments of \$1,623,492,000.

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The Agency's nonpooled cash and investments of \$98,568,000 consist of bond proceeds with the trustee and a certificate of deposit for the North Long Beach Project Area.

Agency Nonpooled Investment Type		Weighted Average Maturity (in years)
Money Market Funds	\$ 60,210	-
Guaranteed Investment Contracts	13,108	23.75
U.S. Treasury Notes	11,388	2.00
Federal Agency Securities	3,862	3.00
Time Certificates of Deposit	10,000	1.00
	<u>\$ 98,568</u>	
Total held by Bond Trustee	<u>\$ 98,568</u>	

Investments with Fair Values Highly Sensitive to Interest Rate Risk

The City had no investments with values that were highly sensitive to interest rate risk as of September 30, 2010. Highly sensitive investments are investments whose sensitivity to market interest rate fluctuations are not fully addressed by the use of one of the five methods for reporting interest rate risk.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The minimum rating requirements for commercial paper, asset-backed securities, and medium term notes is an A rating. Mortgage-backed security issuers must have a minimum AAA rating. State warrants, state treasury notes, or bonds of the state of California are to be rated at a minimum of A1/Sp-1 for short-term investments and Aa/AA for long-term investments.

Presented on the following table is the minimum rating required by the California Government Code, the City's investment policy, and the actual rating as of September 30, 2010 for each investment type (in thousands):

City's Pooled Investments Investment Type	Minimum Legal Rating	Rating as of Year-End				
		Total	Not Required to Be Rated	A-1	AAA	Unrated
Cash and Investments in City Pool:						
Interdepartment Loan (Health SAVRS)	N/A	\$ 2,383	\$ 2,383	-	\$ -	\$ -
U.S. Treasury Notes	N/A	333,400	333,400	-	-	-
Federal Agency Securities	N/A	1,136,278	-	-	1,136,278	-
Money Market Account	N/A	137	-	-	137	-
Local Agency Investment Fund (LAIF)	N/A	50,116	50,116	-	-	-
Government Managed Rate Account	N/A	220	220	-	-	-
Subtotal City Pool		1,522,534	386,119	-	1,136,415	-
Cash and Deposits		113,126	-	-	-	113,126
Outstanding Checks		(12,168)	-	-	-	(12,168)
Total City Pool		<u>\$ 1,623,492</u>	<u>\$ 386,119</u>	<u>\$ -</u>	<u>\$ 1,136,415</u>	<u>100,958</u>
Nonperforming Short-Term Investment	N/A	\$ 3,962	\$ -	\$ -	\$ -	3,962

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City's Pooled Investments Investment Type	Minimum legal rating	Total	Not required to be rated	AAA	Unrated
Cash and Investments Held by Bond Trustee					
Guaranteed Investment Contracts	N/A	\$ 48,263	\$ 48,263	\$ -	
Money Market Funds	N/A	120,383	120,383	-	
U.S. Treasury Notes	N/A	79,995	-	79,995	
Federal Agency Securities	N/A	49,758	-	49,758	
Time Certificates of Deposit	N/A	10,000	-	-	10,000
City Bonds	N/A	1,726	-	-	1,726
Total Held by Bond Trustees		<u>\$ 310,125</u>	<u>\$ 168,646</u>	<u>\$ 129,753</u>	<u>\$ 11,726</u>

Agency Nonpooled Investment Type	Minimum Legal Rating	Total	Not Required To Be Rated	AAA
Money Market Funds	N/A	\$ 60,210	60,210	-
Guaranteed Investment Contracts	N/A	13,108	13,108	-
U.S. Treasury Notes	N/A	11,388	-	11,388
Federal Agency Securities	N/A	3,862	-	3,862
Time Certificates of Deposit	N/A	10,000	10,000	-
Total held by Bond Trustees		<u>\$ 98,568</u>	<u>83,318</u>	<u>15,250</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent 5 percent or more of the City's total pooled investments are as follows (in thousands):

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bank	Federal agency securities	\$ 195,234
Federal Home Loan Bank	Federal agency securities	329,561
Federal Home Loan Mortgage Association	Federal agency securities	318,718
Federal National Mortgage Association	Federal agency securities	292,765
U.S. Treasury	U.S. Treasury notes and bonds	333,400

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker/dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local

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governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. All securities owned by the City are deposited in trust for safekeeping with a custodial bank different from the City's primary bank.

As of September 30, 2010, the City reported deposits of \$113,126,000 less \$12,168,000 for checks outstanding.

Investment in State Investment Pool

The City is a voluntary participant in the LAIF that is regulated by the California Government Code section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the City's financial statements at amounts based upon the City's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized-cost basis. Included in LAIF's investment portfolio are mortgage-backed securities, loans to certain state funds, securities with interest rates that vary according to changes in rates greater than a one-for-one basis, and structured basis.

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Nonpooled Restricted Cash and Investments

Nonpooled restricted cash and investments stated at fair value, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, including accrued interest thereon, consisted of the following at September 30, (in thousands):

	Cash with Fiscal Agent	Investments	Total
<u>Tax Allocation Bonds:</u>			
1992 Multiple Series:			
West Long Beach Industrial Project	\$ 21	\$ 2,583	\$ 2,604
Downtown Project -Series A	47	5,732	5,779
2002 Multiple Series:			
2002A Poly High Project	2	109	111
2002A West Beach Project	8	771	779
2002B West Long Beach Industrial Project	549	-	549
2002A Downtown Project	23	2,408	2,431
2002A North Long Beach Project	128	3,151	3,279
2005 Multiple Series:			
2005A-2 Poly High Project	2	106	108
2005A-1 Los Altos Project	-	408	408
2005A-1 Central Long Beach Project	2,883	1,864	4,747
2005B Central Long Beach Project	35	2,145	2,180
2005A-1 North Long Beach Project	1,999	3,291	5,290
2005B North Long Beach Project	8	1,736	1,744
2005B Housing Fund	23,173	4,054	27,227
2005C Downtown Project	32	-	32
2010 Multiple Series:			
2010A North Long Beach Project	20,897	-	20,897
2010B North Long Beach Project	10,403	-	10,403
North Long Beach Project	-	10,000	10,000
Total	<u>\$ 60,210</u>	<u>\$ 38,358</u>	<u>\$ 98,568</u>

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Note 3 – Reconciliation of Government-Wide and Fund Combined Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Combined Statement of Net Assets

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net assets (deficit) – governmental activities as reported in the government-wide combined statement of net assets. One element of that reconciliation explains, “Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.” The details of the \$355,638,000 and \$1,574,000 differences are as follows (in thousands):

	Capital Projects/Debt Service Funds	Low- and Moderate- Income Housing Fund
Bonds Payable	\$ 347,740	\$ -
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(6,607)	-
Unamortized loss on defeasance	(2,027)	-
Issuance discount, net (to be amortized as an addition to interest expense)	(544)	-
Plus: Issuance premium, net (to be amortized as a reduction of interest expense)	8,019	-
Notes payable	3,841	1,015
Environmental remediation	-	23
Accrued interest payable	5,216	536
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets (deficit) – governmental activities	<u>\$ 355,638</u>	<u>\$ 1,574</u>

Explanation of Certain Differences between the Governmental Fund Combined Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Combined Statement of Activities

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the combined statement of activities. The details of this \$24,299,000 difference are as follows (in thousands):

	Capital Projects/Debt Service Funds
<u>Debt issued or incurred</u>	
Issuance of tax allocation bonds	\$ 32,980
Issuance of notes, certificates of participation commercial paper, and other long-term obligations	449
<u>Principal payments</u>	
Tax Allocation Bonds obligation debt	(9,130)
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 24,299</u>

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Some expenses reported in the combined statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The details of the \$149,000 and \$4,000 differences are as follows (in thousands):

	Capital Projects/Debt Service Funds	Low- and Moderate- Income Housing Fund
Accrued interest	\$ 510	\$ 4
Amortization of premium	(454)	-
Amortization of discount	22	-
Amortization of issuance cost	(32)	-
Amortization of loss on defeasance	103	-
Net adjustment	<u>\$ 149</u>	<u>\$ 4</u>

Note 4 – Receivables

The following receivables are expected to be collected within one year. There are no allowances for uncollectable accounts. Current receivables at September 30, 2010 are as follows (in thousands):

	Capital Projects/Debt Service Funds	Low- and Moderate- Income Housing Fund
Interest	\$ 155	\$ -
Property taxes	100,424	-
Accounts and loans receivable	442	3
Total	<u>\$ 101,021</u>	<u>\$ 3</u>

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Note 5 – Capital Assets

Capital asset activity for the year ended September 30, 2010 is as follows (in thousands):

Capital Project / Debt Service activities	Balance at October 1, 2009	Increase	Decrease	Balance at September 30, 2010
Capital assets, not being depreciated:				
Land	\$ 13,802	\$ -	\$ (204)	\$ 13,598
Construction In Progress	-	8,120	-	8,120
Total capital assets not being depreciated	13,802	8,120	(204)	21,718
Capital assets, being depreciated:				
Building	483	-	(483)	-
Machinery and equipment	485	70	(64)	491
Total capital assets being depreciated	968	70	(547)	491
Less accumulated depreciation for:				
Building	(64)	(30)	94	-
Machinery and equipment	(125)	(54)	30	(149)
Total accumulated depreciation	(189)	(84)	124	(149)
Total capital assets being depreciated, net	779	(14)	(423)	342
Redevelopment Agency, governmental activities capital assets, net	\$ 14,581	\$ 8,106	\$ (627)	\$ 22,060

Depreciation was charged to functions/programs of governmental activities as follows (in thousands):

Community and cultural/housing:	
Community development	\$ (84)

Low- and Moderate-Income Housing activities:	Balance at October 1, 2009	Increase	Decrease	Balance at September 30, 2010
Capital assets, not being depreciated:				
Land	\$ 1,015	\$ 86	\$ -	\$ 1,101
Total capital assets not being depreciated	1,015	86	-	1,101
Capital assets, being depreciated:				
Building	536	159	-	695
Improvements other than buildings	1,053	-	-	1,053
Total capital assets being depreciated	1,589	159	-	1,748
Less accumulated depreciation for:				
Building	(130)	(19)	-	(149)
Improvements other than buildings	(451)	(45)	-	(496)
Total accumulated depreciation	(581)	(64)	-	(645)
Total capital assets being depreciated, net	1,008	95	-	1,103
Low- and Moderate-Income Housing Fund, Governmental activities capital assets, net	\$ 2,023	\$ 181	\$ -	\$ 2,204

Depreciation was charged to functions/programs of governmental activities as follows (in thousands):

Community and cultural/housing:	
Community development	\$ (64)

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Note 6 – Due to/from and Advances from/to the City of Long Beach

The composition of receivables and payables to the City as of September 30, 2010 is as follows (in thousands):

Redevelopment Agency

<u>Due to the City of Long Beach</u>	
Internal Service Fund	\$ 108
Housing Development Fund 20% set-aside	50
Total due to the City of Long Beach	<u>\$ 158</u>

Advances from the City of Long Beach

General Fund	\$ 101,344
Housing Development Fund 20% set-aside	38,454
Housing Development Fund other project costs	3,953
General Capital Projects	15,951
Harbor Fund	27,000
Total advances from the City of Long Beach	<u>\$ 186,702</u>

Advances to the City of Long Beach

<u>Aquarium of the Pacific:</u>	
Funds transfer	\$ 21,828
Accrued interest	439
Total advances to the City of Long Beach	<u>\$ 22,267</u>

Low- and Moderate-Income Housing Fund

<u>Due to the City of Long Beach</u>	
Internal Service Fund	\$ 50
Total due to the City of Long Beach	<u>\$ 50</u>

Advances to the Housing Development Fund

City of Long Beach	\$ 855
Housing Development Company	2,421
Total advances to the Housing Development Fund	<u>\$ 3,276</u>

Advances to the Redevelopment Agency

20% set-aside	\$ 37,263
Project costs	1,191
Total advances to the Redevelopment Agency	<u>\$ 38,454</u>

The advances from the City of Long Beach of \$186,702,000 are only reported in the government-wide financial statements as Advances from the City of Long Beach and Advances from Low- and Moderate-Income Housing Fund of \$148,248,000 and \$38,454,000, respectively.

Due to/from the City of Long Beach

Employee Benefit overhead costs of \$108,000, such as funding for health benefits and paid time off, relating to the wages and salaries accrued at September 30, 2010, are payable to the City's Employee Benefits Internal Service Fund at September 30, 2010. In fiscal year ended September 30, 2010, the Agency executed a promissory in favor of the Housing Development Company in exchange for certain real property located in the project

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area whereby it agreed to pay \$50,000 portion of the total amount on or before October 1, 2010.

Advances from/to the City of Long Beach

The Agency records its debt owed to the City of Long Beach only in its government-wide financial statements. From 1974 to 2010, the City transferred funds to the Agency that included Federal grant moneys for use on redevelopment projects. The Agency occasionally makes discretionary payments to the City, which in fiscal year 2010 amounted to \$2,794,000. At September 30, 2010, the outstanding balances of these transfers amounted to \$101,344,000, \$3,953,000, and \$15,003,000 in the City's General Fund, Housing Development Special Revenue Fund, and General Capital Projects Fund, respectively, for land acquisition, project, and administration costs. It is the intent of the Agency to repay these transfers as future property tax increment revenues permit. Due to the long-term nature of the repayment, the City has reserved these interfund receivables in the General Fund, Housing Development Special Revenue Fund, and General Capital Projects Fund.

In December 1993, the City agreed to convey to the Agency real property for the Central Long Beach Project equal to the fair market value less any costs of demolition and remediation of the property or \$1,877,000. Pursuant to the loan agreement, the Agency is required to make a loan repayment equal to at least 1 percent of the net tax increment received by the Agency for the Central Long Beach Project Area. The funds paid to the City are required to be utilized for gang prevention and other youth-related activities. In fiscal year 2010, the Agency made a loan repayment of \$171,000 to the City. The balance of this advance on September 30, 2010 was \$948,000.

In 1990, the Agency received an advance from the Long Beach Harbor Department (Port) for the expansion of the Long Beach Convention and Entertainment Center. The resulting note, payable solely from the Downtown Project Area's transient occupancy taxes, was scheduled to be repaid commencing on October 1, 1997. In August 1995, the agreement was amended to defer payment until a certificate of occupancy was issued for the Aquarium of the Pacific Project, which was completed in fiscal year 1998. In 2002, a subsequent amendment deferred further the scheduled quarterly payments of \$441,000 over 16 years. In 2009, the agreement was further amended. Under the terms of the amendment, the pledge of transient occupancy taxes was relieved, \$435,000 of the original outstanding advance was forgiven, and the Agency agreed to reimburse the Harbor up to a maximum of \$27,000,000, using a pledge of future tax increment revenues, for costs of new project area improvements submitted by the Port pursuant to the West Long Beach Industrial Redevelopment Project Area Public Improvement Reimbursement Agreement between the Agency and the Port dated September 1, 2009. Further, the amendment stipulated that at July 1, 2015, if the Port has not submitted requests for reimbursement equivalent to the maximum amount allowable, the amount of the advance equal to the remaining unused balance of the agreement shall be forgiven. At September 30, 2010, the total aggregate balance outstanding was \$27,000,000.

In accordance with the Owner Participation Agreement by and among the Redevelopment Agency of the City of Long Beach, Long Beach Bond Finance Authority and

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the Aquarium of the Pacific, all Redevelopment Agency Fund transient occupancy taxes are pledged to fund the debt service payments of the Lease Revenue Refunding Bonds (Aquarium of the Pacific Project) Series 2001 if needed. The Redevelopment Agency will be reimbursed for any such advances together with accrued interest, at an interest rate equal to the rate earned on the City Treasurer's Investment Pool, as moneys are available. At September 30, 2010, the Redevelopment Agency had advanced \$21,828,000 to the City for the bond payment, including accrued interest of \$439,000.

Low- and Moderate-Income Housing Fund

Effective in fiscal year 1986, the Agency was allowed to defer a portion or 100 percent of the housing set-aside based on the financial obligations existing prior to January 1986. In fiscal year ended September 30, 2010, the payment of the entire housing set-aside for all the project areas was deferred totaling \$20,902,000 to enable the Agency pay the Supplemental Educational Revenue Augmentation Fund (SERAF) as required by the State of California Assembly Bill AB26 x4. This deferral, the previous years deferred payments for the Downtown Project Area of \$16,361,000, and the advances made to the Central Long Beach project Area for a property acquisition and residential construction project of \$1,191,000 at September 30, 2010, constitute a debt of the Agency to the Housing Development Fund. This total advances of \$38,454,000 is shown as offsetting components of the combined statement of net assets, "Advances from Low- and Moderate-Income Housing Fund" and "Advances to the Redevelopment Agency".

At September 30, 2010, the Low- and Moderate-Income Housing Fund advanced \$3,276,000 to the City and the Long Beach Housing Development Company for the repayment of long-term notes payable to the California Housing Finance Agency. \$855,000 has been advanced to the City for the Parwood Project and \$2,421,000 to the Housing Development Company for the Grisham Project.

Note 7 – Long-Term Obligations

Long-Term Debt activity for the year ended September 30, 2010 was as follows (in thousands):

	Balance at October 1, 2009	Additions	Reductions	Balance at September 30, 2010	Due within one year
Capital Project/Debt Service Fund					
Bonds payable:					
Tax allocation bonds:	\$ 323,890	\$ 32,980	\$ (9,130)	\$ 347,740	\$ 10,183
Add (less) deferred amounts:					
Premium	8,473	-	(454)	8,019	-
Discount	(566)	-	22	(544)	-
Issuance costs	(6,575)	(380)	348	(6,607)	-
Loss on defeasance	(2,130)	-	103	(2,027)	-
Total bonds payable	323,092	32,600	(9,111)	346,581	10,183
Notes payable	3,284	557	-	3,841	-
Advances from the City of Long Beach	144,893	6,319	(2,964)	148,248	-
Advances from Low- and Moderate-Income Housing Fund	17,321	21,133	-	38,454	-
Long-term liabilities	\$ 488,590	\$ 60,609	\$ (12,075)	\$ 537,124	\$ 10,183

Low- and Moderate-Income Housing Fund

	Balance at October 1, 2009	Additions	Reductions	Balance at September 30, 2010	Due within one year
Notes Payable	\$ 1,015	\$ -	\$ -	\$ 1,015	\$ -
Environmental Remediation	50	-	(27)	23	13
Long-term liabilities	\$ 1,065	\$ -	\$ (27)	\$ 1,038	\$ 13

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Pledged Revenue

The Agency has pledged a portion of future tax increment revenues to repay tax allocation bonds issued between 1992 and 2010. The bonds were issued either to finance redevelopment activities within various project areas or to refinance existing debt that was originally issued for the same purpose. The bonds are payable solely from tax increment revenues. Tax increment revenues are projected to produce 376 percent of the debt service requirements over the life of the bonds. As of September 30, 2010, total principal and interest requirement for the bonds is \$622,997,000 (\$347,740,000 for principal and \$275,257,000 for interest), payable semiannually through 2040. For the current year, principal and interest paid and tax increment revenues received were \$26,217,000 and \$83,610,000, respectively.

The Agency has pledged a portion of future tax increment revenues to repay advances from the City made in between 1974 and 2010. The advances were made to finance redevelopment activities within or of benefit to various project areas. The advances are payable solely from tax increment revenues. Tax increment revenues are projected to produce 2,344 percent of the debt service requirements over the life of the advances. As of September 30, 2010, the total principal and interest requirement for the advances is \$121,248,000 (\$70,849,000 for principal and \$50,399,000 for interest). At present, the Agency has a maximum termination date of December 2047. For the current year, principal and interest paid and tax increment revenues received were \$2,965,000 and \$83,610,000, respectively.

Taken as a whole, the Agency has pledged \$744,245,000 (\$418,589,000 for principal and \$325,656,000 for interest) of future tax increment revenues resulting in a coverage ratio of tax increment revenues to debt of 398 percent.

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Note 8 – Bonds Payable

At September 30, 2010, bonded indebtedness consisted of the following (in thousands):

	Date Issued	Final Maturity	Range of Semi-Annual Interest Rates	Authorized and Issued	Outstanding Balance September 30, 2010
<u>Tax Allocation Bonds:</u>					
1992 Multiple Series:					
Downtown Project – Series A	12/01/92	11/01/22	2.90% – 6.00%	\$ 81,020	\$ 27,015
West Long Beach Industrial Project	12/01/92	11/01/22	2.90% – 6.00%	36,470	12,165
2002 Multiple Series:					
2002A Poly High Project	06/25/02	08/01/12	4.809%	1,710	406
2002A West Beach Project	06/25/02	08/01/18	5.152%	8,895	5,349
2002B West Long Beach Industrial Project	12/05/02	11/01/24	2.00% – 5.50%	21,860	19,160
2002A Downtown Project	06/25/02	08/01/24	5.04% – 5.25%	26,820	14,259
2002B Downtown Project	12/05/02	11/01/22	2.25% – 5.50%	25,920	22,615
2002A North Long Beach Project	06/25/02	08/01/31	6.105%	40,290	8,169
2005A-1 Los Altos Project	03/02/05	08/01/20	2.20% – 4.00%	4,685	3,340
2005A-1 Central Long Beach Project	03/02/05	08/01/40	3.52% – 5.34%	22,690	21,259
2005A-1 North Long Beach Project	03/02/05	08/01/35	3.52% – 5.16%	39,000	35,619
2005A-2 Poly High Project	03/02/05	08/01/24	3.79% – 4.90%	2,558	2,558
2005A-2 West Beach Project	03/02/05	08/01/20	4.59% – 4.66%	839	839
2005B Central Long Beach Project	03/02/05	08/01/40	3.52% – 5.34%	34,240	32,081
2005B North Long Beach Project	03/02/05	08/01/35	3.52% – 5.16%	25,080	22,906
2005B Housing Fund	03/02/05	08/01/40	3.52% – 5.44%	55,665	52,185
2005C Downtown Project	02/01/06	08/01/24	3.25% – 5.50%	7,900	7,690
2005C North Long Beach Project	02/01/06	08/01/31	3.70% – 5.50%	27,145	27,145
2010A North Long Beach Project	05/12/10	08/01/40	7.903% – 8.36%	22,235	22,235
2010B North Long Beach Project	05/12/10	08/01/25	2.386% – 7.903%	10,745	10,745
Total Bonds Payable				<u>\$ 495,767</u>	<u>\$ 347,740</u>

In May 2010, the Agency issued \$32,980,000 in Long Beach Bond Finance Authority Bonds 1010 Series A Taxable Recovery Zone Economic Development Bonds and Series B Taxable Build America Bonds. The bonds were issued to finance redevelopment activities within or of benefit to the North Long Beach Redevelopment area, fund reserve requirements and pay for issuance cost of the bonds.

A portion of the proceeds will fund the construction of a new fire station near the project area, including an emergency resource center and related traffic and offsite improvements. Proceeds will also renovate an existing building adjacent to the project area for use as a police station, fund improvements to Long Beach Boulevard and medians of other roadways, and finance the planning, design, and construction of a new library and community center in the vicinity of the project area.

Interest rates on Series A range from 7.90 to 8.36 percent and B ranges from 2.39 to 7.90 percent. The Agency expects to receive a cash subsidy from the United States Treasury pursuant to the American Recovery and Reinvestment Act on or about each interest payment date of 45 percent and 35 percent, respectively, of the interest paid on the bonds.

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Annual Payments

Combined annual debt-service payments to maturity for all bonds are as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2011	\$ 10,183	\$ 18,599	\$ 28,782
2012	10,706	18,072	28,778
2013	11,452	17,615	29,067
2014	12,000	17,053	29,053
2015	12,583	16,453	29,036
2016 – 2020	72,117	72,963	145,080
2021 – 2025	78,530	52,365	130,895
2026 – 2030	49,618	34,739	84,357
2031 – 2035	51,371	20,195	71,566
2036 – 2040	39,180	7,203	46,383
Totals	<u>\$ 347,740</u>	<u>\$ 275,257</u>	<u>\$ 622,997</u>

Note 9 – Notes and Interest Payable

At September 30, 2010, the Agency had the following notes payable to land sellers, developers, and other governmental entities (in thousands):

	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Range of Interest Rates</u>	<u>Originally Issued</u>	<u>Outstanding at September 30, 2010</u>
Capital Project/Debt Service Fund					
Los Angeles County	1/21/1992	12/10/2036	3.75%	\$ 3,695	\$ 3,695
Cal-Can Holdings, LLC	9/29/2009	9/29/2012	None	146	146
				<u>3,841</u>	<u>3,841</u>
<u>Low- and Moderate-Income Housing Fund</u>					
State of California	1/23/1992	1/23/2022	3.00%	<u>\$ 1,015</u>	<u>\$ 1,015</u>

Combined annual debt service payments to maturity for all notes are as follows (in thousands):

<u>Capital Projects and Debt Service Funds</u>			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2011	\$ -	\$ -	\$ -
2012	146	-	146
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016 – 2020	-	-	-
2021 – 2025	-	-	-
2026 – 2030	-	-	-
2031 – 2035	-	-	-
2036	3,695	2,955	6,650
Totals	<u>\$ 3,841</u>	<u>\$ 2,955</u>	<u>\$ 6,796</u>

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<u>Low- and Moderate-Income Housing Fund</u>			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2011	\$ -	\$ -	\$ -
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016 – 2020	-	-	-
2021 – 2022	1,015	880	1,895
Totals	\$ 1,015	\$ 880	\$ 1,895

Tax Increment Pass-Through Obligation

The Agency has an agreement to pay the County 49.44 percent of tax increment generated by the Los Altos Project Area, payable commencing in 2020 at a simple interest rate of 3.75 percent. The tax increment due to the County at September 30, 2010 totaled \$3,695,000.

Promissory Note for the Purchase of Property

In the fiscal year ended September 30, 2010, the Agency executed a promissory note for \$146,000 in favor of Cal-Can Holdings, LLC as a partial consideration in the purchase of real property on 2144 W. 16th Street, Long Beach, California. This note is due and payable in full at the earlier of the resale of the real property or Second anniversary of the date of the promissory note.

Low- and Moderate-Income Housing Fund

In fiscal year 1992, the Fund entered into a loan agreement totaling \$1,015,000 with the State of California Department of Housing and Community Development (State) for construction and rehabilitation of the Fund property. The project was completed in fiscal year 1993. Interest on the loan accrues from the date the funds were disbursed by the State at an annual simple interest rate of 3 percent, with the interest payment due within 60 days of fiscal year-end if sufficient funds are available. The Fund made an interest payment of \$14,108 in fiscal year 1997. The principal and any unpaid interest are due in January 2022. As of September 30, 2010, the entire amount remains payable to the State.

Note 10 – Other Assets

Other assets depicted in the Capital Projects/Debt Service Fund include the following at September 30, 2010 (in thousands):

Prepaid rent for the IDM structure	\$ 1,622
Other	<u>1</u>
Total Other Assets	\$ 1,623

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Note 11 – Low- and Moderate-Income Housing Set-Aside

Community Redevelopment Law requires redevelopment agencies to set aside 20 percent of their property tax increment to increase or improve the supply of low- and moderate-income housing in the community. Agencies must deposit the housing set-aside funds in a low- and moderate-income housing fund. The Agency deposits its housing set-aside with the City.

Effective January 1, 1986, the laws governing redevelopment were amended to include project areas created prior to 1977 into the low- and moderate-income housing set-aside program. However, the law allows pre-1977 projects to set aside less than 20 percent of tax increment revenue if the project area's obligations from programs, projects, and financial obligations existing prior to January 1, 1986 exceeded the tax increment revenue available.

Beginning January 1, 1986, the portion of the set-aside not paid became indebtedness of the project area.

In fiscal year 1986, all Redevelopment Project Areas, except West Beach, qualified for reduced set-aside payments. In fiscal year 1988, only the Downtown Project Area qualified for a reduced payment but elected to recognize the amount as deferred rather than exempt. The Downtown Project Area qualified for and deferred a portion or the entire set-aside amount in fiscal years 1989 through 2002. Amendments in 1989 to the State Health and Safety Code Section 33334.6 (g) required redevelopment agencies to treat shortfalls in fiscal years 1986 and 1987 as deficits in the low- and moderate-income housing fund. As a result, in fiscal year 1995, the Agency recorded an additional \$1,821,000 as a liability in the City's Housing Development Fund; this amount was equal to the fiscal years 1986 and 1987 Downtown Project Area set-aside.

The deferred debt was previously accounted for as a current liability because it was payable from any excess funds that might have become available. However, it has been determined that projections of tax increment revenues in the immediate future made it unlikely that payments would begin soon. As a result, the Agency has determined it necessary to account for the deferred set-aside as a long-term liability beginning in fiscal year 1996. With the implementation of GASB Statement No. 34, the deferred set-aside of \$16,361,000 for the Downtown Project Area has been reclassified from the General Long-Term Debt Account Group to Advances from the City (see note 6). Effective October 1, 2004, the Agency changed its method of accounting for advances from the City based on additional guidance issued by the GASB. The Agency now records its debt owed to the City only in its government-wide financial statements. The Agency has adopted a "Downtown Project Area Housing Fund Deficit Reduction Plan" Resolution RA 21-95, which calls for an analysis of available tax increment and existing obligations beginning in 2010, and every two years thereafter, until reduction of the deferred debt is found feasible, and commences.

In fiscal year ended September 30, 2010, the payment of the entire housing set-aside for all the project areas was deferred totaling \$20,902,000 pursuant to the Memorandum of Understanding between the Agency and the Long Beach Housing Development Company to enable the Agency pay the Supplemental Educational Revenue Augmentation Fund (SERAF) as required by the State of California Assembly Bill AB26 x4 enacted by the legislature due to recent budget crisis. Per the memorandum, the Agency shall repay this

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housing set-aside in five equal annual payments beginning fiscal year 2011 through fiscal year 2015.

The Agency deposits set-aside funds into the Low- and Moderate-Income Housing Fund (Housing Fund). The following table shows the amount deferred from prior years, the current fiscal year's 20 percent set-aside requirement, the current fiscal year's payment, and the total amount not yet paid to the City's Housing Fund at September 30, 2010, for each Project Area (in thousands):

Project Area	Advances from Low- and Moderate- Income Housing Fund October 1, 2009	Current Year 20% Set Aside	Current Year Payment to Low- and Moderate- Income Housing Fund	Advances from Low- and Moderate- Income Housing Fund September 30, 2010
Downtown	\$ 16,361	\$ 4,244	\$ -	\$ 20,605
West Beach	-	404	-	404
West Long Beach Industrial	-	2,638	-	2,638
Poly High	-	147	-	147
Los Altos	-	151	-	151
Central Long Beach	-	4,265	-	4,265
North Long Beach	-	9,053	-	9,053
Total	<u>\$ 16,361</u>	<u>\$ 20,902</u>	<u>\$ -</u>	<u>\$ 37,263</u>

Note 12 – Transfers from/to the City of Long Beach

For the fiscal year ended September 30, 2010, the City transferred \$3,390,000 to the Agency: \$60,000 from Housing Development Fund to the Central Long Beach Project Area for project development and \$3,330,000 for amortization payment on the 2005 Housing Bonds.

During the fiscal year ended September 30, 2010, the Agency transferred \$9,517,000 to the City. The funds transferred were as follows (in thousands):

Transfers to	Amount
Business Assistance Program	\$ 250
Tidelands Operating Fund	2,404
General Fund	4,502
Housing Development Fund	2,125
Capital Projects Fund	236
Total transfers to the City	<u>\$ 9,517</u>

The Agency transferred \$250,000 to the City for the support and administration of the business loan program for the West Long Beach Industrial, Central Long Beach, and North Long Beach Project Areas.

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The Agency transferred \$522,000 to the Tidelands Fund in fiscal year 2010 to supplement the debt service of the bonds issued for the construction of an energy plant at the Convention Center and \$1,882,000 from transient occupancy taxes for Aquarium of the Pacific bonds debt service.

The Agency transferred \$4,502,000 to the General Fund: \$829,000 for the CityPlace Garage debt service and \$3,673,000 for the return of transient occupancy tax previously allocated to the Agency for the Aquarium of the Pacific bonds debt service.

The Agency transferred \$2,125,000 of 2005 Housing Bond proceeds to the Housing Development Fund for various projects.

The Agency transferred \$236,000 to the Capital Projects Fund as Agency's contribution to various capital improvement projects.

Any redevelopment project area adopted after 1994 is required to share 20 percent of its tax increment with the taxing agencies affected by the adoption of the project area including city governments. As a result, the Central Long Beach and North Long Beach Project Areas paid \$963,000 and \$2,328,000, respectively, to the City.

In addition, an amendment to Section 33333.6 of the Health and Safety Code took effect on January 1, 2002, authorizing redevelopment agencies to eliminate the time limit for incurring indebtedness; if this time limit is eliminated for a project area, that project area must commence statutory pass-through payments one year following the year its time limit for incurring indebtedness would have otherwise been reached. On November 11, 2003, the Long Beach City Council adopted ordinances amending the Redevelopment Plans for the West Beach, Poly High, and West Long Beach Industrial Project Areas to eliminate their time limits for incurring indebtedness. Fiscal year 2010 is the sixth year these project areas are required to make statutory pass-through payments. The Poly High, West Beach, and West Long Beach Industrial Redevelopment Project Areas paid \$7,000, \$52,000, and \$137,000, respectively, to the City.

These payments are part of the pass-through charges expenditure category of \$44,545,000 under the Debt Service Fund in the combined statement of revenues, expenditures, and changes in fund balance. The remaining balance of \$41,058,000 pass-through charges relate to money due to agencies other than the City, which includes \$29,516,000 Supplemental Educational Revenue Augmentation Fund (SERAF) payment required by the State of California Assembly Bill AB26 x4 enacted by the legislature due to recent budget crisis.

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Note 13 – Land Held for Resale

The Agency owns various parcels of land located within its various project areas. These properties have been recorded at the lower of cost or estimated fair market value, excluding demolition and relocation costs. Due to the potential long-term nature of these assets, the Agency has reserved fund balance for land held for resale. At September 30, 2010, the Agency had the following amount of land held for resale in each project area (in thousands):

Project Area	Value at Lower of Cost or Market Value	
	Capital Projects Funds	Low- and Moderate-Income Housing Fund
Downtown	\$ 30,736	\$ -
West Long Beach Industrial	7,416	-
Poly High	2,203	-
Central Long Beach	62,872	311
North Long Beach	77,812	-
Total	<u>\$ 181,039</u>	<u>\$ 311</u>

Note 14 – Eliminations and Reclassifications of Interproject Loans

In prior years, interproject loans were recorded to allow one project area to invest excess cash in another project area. This practice is no longer used by the Agency. Existing loans are repayable by the project area if and when sufficient revenues for repayment are available or as provided for under the applicable loan agreement. The principal amount of the loan accrues interest at the various interest rates specified in the corresponding loan agreements.

The following schedule presents interproject loans outstanding as of September 30, 2010 (in thousands):

From Project	To				
	West Beach	Downtown	Los Altos	Central LB	Total
West Long Beach Industrial	\$ 329	\$ 1,058	\$ 2,150	\$ 2,348	\$ 5,885
Total	<u>\$ 329</u>	<u>\$ 1,058</u>	<u>\$ 2,150</u>	<u>\$ 2,348</u>	<u>\$ 5,885</u>

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Advances between redevelopment project areas are as follows (in thousands):

	<u>Original</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Outstanding</u>
<p>In June 1995, the West Long Beach Industrial and Los Altos Project Areas entered into a promissory note and loan agreement for the West Long Beach Industrial Project Area to advance funds on an as needed basis to meet Los Altos acquisition and relocation expenses. The indebtedness accrued interest at a rate equal to that earned by the City Treasurer on the City of Long Beach pooled cash. The sales tax allocated to the Los Altos Project Area by the City of Long Beach and any surplus tax increment from the project are pledged to the West Long Beach Industrial Project Area loan repayment. There have been enough funds available to pay the accrued interest on the loan.</p>	\$ 12,700	\$ 2,150	\$ -	\$ 2,150
<p>In July 1995, a promissory note and loan agreement was entered into by the West Long Beach Industrial Project Area and Poly High, West Beach, Downtown, and Central Long Beach Project Areas for the West Long Beach Industrial Project Area to advance for contributions to the development of the Long Beach Unified School District Transportation Facility. The indebtedness accrued interest at a rate equal to that which accrues on the Tax Anticipation Notes of the City of Long Beach. Repayment of the indebtedness will be made as future tax increments become available. However, in June 2002, the advance to Poly High Project Area was repaid from tax allocation bond proceeds.</p>	<u>2,626</u>	<u>2,572</u>	<u>1,163</u>	<u>3,735</u>
Totals	<u>\$ 15,326</u>	<u>\$ 4,722</u>	<u>\$ 1,163</u>	<u>\$ 5,885</u>

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Note 15 – Long-Term Receivables, Reserved Fund Balance, and Deferred Revenue

In the accompanying fund financial statements, long-term receivables are offset by reserved fund balance-other or deferred revenue. The table below presents the detail components of the Agency’s and the Low- and Moderate-Income Housing Fund’s long-term receivables and corresponding offset accounts at September 30, 2010 (in thousands):

Governmental Funds:

Description	Capital Projects/Debt Service Fund			Low- and Moderate-Income Housing Fund - Deferred Revenue
	Long-term Receivables	Reserved Fund Balance-Long-term Receivables	Deferred Revenue	
Loans receivable:				
Blk M	\$ 35	\$ 35	\$ -	\$ -
Olson, Downtown Promenade Land Sale	1,352	-	1,352	-
Delinquent Tax Los Angeles County	24	24	-	-
Museum of Latin American Art-Property acquisition	125	-	125	-
The Garage Theatre-Building improvement	20	-	20	-
Tyler & Behar Purchase Note-Sale of 734 Maine Ave.	30	30	-	-
Roberts Dept Store Demolition, 4450 Atlantic Ave./GGF, LLC	3,700	-	3,700	-
Low- and moderate-income housing loans	-	-	-	41,649
Total Long-Term Receivables	\$ 5,286	89	5,197	41,649
Additional components:				
Prepaid rent for the IDM structure, noncurrent	-	1,587	-	-
Rent-early payment	-	-	24	-
Brownfields Clean-up revolving loan fund	-	-	28	-
Advance to City for Aquarium of the Pacific debt service	-	22,267	-	-
Property tax increment receivable	-	-	100,424	-
Cash-Deposits from contractors/developers	-	-	360	-
Total Reserved/Deferred Revenues		\$ 23,943	\$ 106,033	\$ 41,649

Note 16 – Other Reserved Fund Balances

Low- and Moderate-Income Housing Fund

At September 30, 2010, the reserved fund balance of \$73,000 has been accumulated for operating and maintenance reserves required under the Regulatory Agreement of the promissory note with the State for \$1,015,000.

Note 17 – Commitments and Contingencies

Litigation

The Agency is subject to claims and lawsuits arising from the normal course of business. Representatives of the City Attorney’s Office routinely evaluate such claims. In the event of litigation, the Agency’s management may make provision for probable losses if deemed appropriate on advice of legal counsel. In cases where such provision for damages would be considered necessary, appropriate amounts would be reflected in the accompanying combined financial statements.

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Note 18 – Subsequent Events

Downgrade of AIG

On January 17, 2011 the Trustee for the Agency's Series 2005A and B bonds notified the Agency that the Moody's Investor Service rating for the AIG Match Funding Corporation (AIGMFC) long-term unsecured senior debt obligation had been downgraded from A3 to Baa1. Under the indenture of Trust, in connection with the issuance of these bonds, certain proceeds of the bonds were held in separate reserve accounts using an investment agreement, using a Guaranteed Investment Contract, with AIGFMC.

<u>Agency</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity Date</u>
Central Long Beach – Tax Exempt	\$ 1,782,773.25	4.72%	08/01/40
Central Long Beach – Taxable	\$ 2,225,935.75	4.76%	08/01/40
North Long Beach – Tax Exempt	\$ 2,890,176.01	4.72%	08/01/35
North Long Beach – Taxable	\$ 1,747,853.44	4.76%	08/01/35
Los Altos Reserve Fund	\$ 404,797.50	4.72%	08/01/20
Housing Reserve Fund	\$ 4,053,642.00	4.76%	08/01/40

Prior to the recent downgrade of American International Group, Inc., the Guarantor of AIGMFC, the Trustee required AIGMFC to deliver highly rated securities collateralized to a third party with a market value equal to or greater than the investment amount, plus unpaid interest. Upon notice by the Trustee to the Agency of the recent downgrade to A3, by Moody's Investor Service, the Trustee, at the request of the Agency requested AIGMFC to repay the principal and unpaid interest on the investments together with a Termination amount. Under the Investment Agreement AIGFMC as granted a first perfected interest in the pledged securities to the Trustee.

Supplementary Financial Information

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Combining Balance Sheet – Governmental Funds
Capital Projects Funds by Project Area
September 30, 2010
(In Thousands)

	Downtown Project Area	West Beach Project Area	West Long Beach Industrial Project Area
ASSETS			
Pooled cash and investments	\$ 4,246	\$ 652	\$ 10,441
Short-term investment nonperforming	33	3	41
Accounts receivable	67	-	-
Receivables from other governments	68	-	-
Land held for resale	30,736	-	7,416
Other assets	1,622	-	-
Long-term receivables	1,411	-	-
Interproject loan and interest receivable	-	-	5,885
	<u>\$ 38,183</u>	<u>\$ 655</u>	<u>\$ 23,783</u>
TOTAL ASSETS			
LIABILITIES			
Voucher payables	\$ 684	\$ -	\$ 214
Accounts payable	70	-	184
Accrued wages payable	39	6	38
Accrued claims and judgments	2	-	3
Collections held in trust	-	-	41
Deferred revenues	1,538	-	-
Due to other funds - current	20	3	19
Interproject loan and interest payable	1,058	329	-
	<u>3,411</u>	<u>338</u>	<u>499</u>
TOTAL LIABILITIES			
FUND BALANCE (ACCUMULATED DEFICIT)			
Reserved:			
Land held for resale	30,736	-	7,416
Interproject loans	(1,058)	(329)	5,885
Encumbrances	753	1	544
Long-term receivables	1,646	-	-
Unreserved:			
Designated for future projects	2,695	645	9,439
TOTAL FUND BALANCE	<u>34,772</u>	<u>317</u>	<u>23,284</u>
(ACCUMULATED DEFICIT)			
	<u>34,772</u>	<u>317</u>	<u>23,284</u>
TOTAL LIABILITIES, FUND BALANCE	<u>\$ 38,183</u>	<u>\$ 655</u>	<u>\$ 23,783</u>

See accompanying independent auditors' report.

Poly High Project Area	Project Income Fund	Los Altos Project Area	Central Long Beach Project Area	North Long Beach Project Area	Total
\$ 64	\$ 4,401	\$ 8	\$ 2,076	\$ 3,716	\$ 25,604
1	7	1	3	21	110
-	-	-	35	-	102
-	-	-	-	-	68
2,203	-	-	62,872	77,812	181,039
-	-	-	1	-	1,623
-	-	-	175	3,700	5,286
-	-	-	-	-	5,885
<u>\$ 2,268</u>	<u>\$ 4,408</u>	<u>\$ 9</u>	<u>\$ 65,162</u>	<u>\$ 85,249</u>	<u>\$ 219,717</u>
\$ -	\$ -	\$ -	\$ 708	\$ 934	\$ 2,540
56	-	-	104	800	1,214
5	-	3	59	63	213
-	-	-	2	3	10
-	25	-	117	24	207
-	-	-	206	3,865	5,609
3	-	1	80	32	158
-	-	2,150	2,348	-	5,885
<u>64</u>	<u>25</u>	<u>2,154</u>	<u>3,624</u>	<u>5,721</u>	<u>15,836</u>
2,203	-	-	62,872	77,812	181,039
-	-	(2,150)	(2,348)	-	-
-	-	3	725	966	2,992
-	-	-	30	-	1,676
1	4,383	2	259	750	18,174
<u>2,204</u>	<u>4,383</u>	<u>(2,145)</u>	<u>61,538</u>	<u>79,528</u>	<u>203,881</u>
<u>\$ 2,268</u>	<u>\$ 4,408</u>	<u>\$ 9</u>	<u>\$ 65,162</u>	<u>\$ 85,249</u>	<u>\$ 219,717</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combining Balance Sheet – Governmental Funds
Debt Service Funds by Project Area
September 30, 2010
(In Thousands)

	Downtown Project Area	West Beach Project Area	West Long Beach Industrial Project Area	Poly High Project Area
ASSETS				
Pooled cash and investments	\$ 6,571	\$ 987	\$ 8,496	\$ 333
Nonpooled cash and investments	102	8	570	4
Interest receivable on investments	17	2	5	-
Taxes receivable	20,934	2,018	12,154	810
Accounts and loans receivable	-	-	-	-
Receivables from other governments	-	-	-	-
Investments	8,141	770	2,583	215
Advances to the City of Long Beach	-	-	-	-
TOTAL ASSETS	\$ 35,765	\$ 3,785	\$ 23,808	\$ 1,362
LIABILITIES				
Accounts payable	\$ -	\$ 38	\$ 146	\$ 23
Accrued claims and judgments – Current	-	-	-	-
Deferred revenues	20,934	2,018	12,154	810
TOTAL LIABILITIES	20,934	2,056	12,300	833
FUND BALANCE				
Reserved:				
Future projects	32	-	-	-
Debt Service	14,799	1,729	11,508	529
Long-term receivables	-	-	-	-
TOTAL FUND BALANCE	14,831	1,729	11,508	529
TOTAL LIABILITIES, FUND BALANCE	\$ 35,765	\$ 3,785	\$ 23,808	\$ 1,362

See accompanying independent auditors' report

Project Income Fund	Los Altos Project Area	Central Long Beach Project Area	North Long Beach Project Area	Housing Fund	Total
\$ -	\$ 326	\$ 4,426	\$ 21,269	\$ 22	\$ 42,430
-	-	2,918	33,435	23,173	60,210
-	4	37	53	37	155
-	757	20,147	43,604	-	100,424
340	-	-	-	-	340
-	-	-	177	-	177
-	408	4,009	18,178	4,054	38,358
<u>22,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,267</u>
<u>\$ 22,607</u>	<u>\$ 1,495</u>	<u>\$ 31,537</u>	<u>\$ 116,716</u>	<u>\$ 27,286</u>	<u>\$ 264,361</u>
\$ -	\$ -	\$ 1,170	\$ 2,733	\$ -	\$ 4,110
-	-	-	200	-	200
-	757	20,147	43,604	-	100,424
-	757	21,317	46,537	-	104,734
-	-	2,747	30,684	23,084	56,547
340	738	7,473	39,495	4,202	80,813
<u>22,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,267</u>
<u>22,607</u>	<u>738</u>	<u>10,220</u>	<u>70,179</u>	<u>27,286</u>	<u>159,627</u>
<u>\$ 22,607</u>	<u>\$ 1,495</u>	<u>\$ 31,537</u>	<u>\$ 116,716</u>	<u>\$ 27,286</u>	<u>\$ 264,361</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combining Balance Sheet – Governmental Funds
Low- and Moderate-Income Housing Funds by Project Area
September 30, 2010
(In Thousands)

	Downtown Project Area	West Beach Project Area	West Long Beach Industrial Project Area
Assets			
Pooled cash and investments	\$ -	\$ -	\$ 14,029
Short-term investments – nonperforming	-	-	21
Accounts receivable	-	-	-
Receivables – loan, long-term, net	-	-	-
Advances to the Housing Development Company	-	-	-
Advances to the City of Long Beach	-	-	-
Advances to the Redevelopment Agency	20,605	404	2,674
Properties held for resale	-	-	-
Other assets	-	-	-
Total assets	\$ 20,605	\$ 404	\$ 16,724
Liabilities and Fund Balance			
Liabilities			
Vouchers/ accounts payable	\$ -	\$ -	\$ 92
Accrued wages payable	-	-	-
Deferred revenues	-	-	-
Deposits/collections held in trust	-	-	-
Due to other funds	-	-	-
Total liabilities	-	-	92
Fund balance			
Reserved:			
Replacement and operations	-	-	-
Properties held for resale	-	-	-
Long-term advances	20,605	404	2,674
Encumbrances	-	-	-
Unreserved/designated – future projects	-	-	13,958
Total fund balance	20,605	404	16,632
Total liabilities and fund balance	\$ 20,605	\$ 404	\$ 16,724

See accompanying independent auditors' report.

Poly High Project Area	Los Altos Project Area	Central Long Beach Project Area	North Long Beach Project Area	Total
\$ -	\$ -	\$ 4,790	\$ 8,886	\$ 27,705
-	-	21	42	84
-	-	3	-	3
-	-	40,493	1,156	41,649
-	-	-	2,421	2,421
-	-	855	-	855
147	151	5,420	9,053	38,454
-	-	311	-	311
-	-	50	-	50
<u>\$ 147</u>	<u>\$ 151</u>	<u>\$ 51,943</u>	<u>\$ 21,558</u>	<u>\$ 111,532</u>
\$ -	\$ -	\$ 184	\$ 92	\$ 368
-	-	98	-	98
-	-	40,493	1,156	41,649
-	-	13	-	13
-	-	50	-	50
-	-	<u>40,838</u>	<u>1,248</u>	<u>42,178</u>
-	-	73	-	73
-	-	311	-	311
147	151	6,276	11,474	41,731
-	-	33	-	33
-	-	4,412	8,836	27,206
<u>147</u>	<u>151</u>	<u>11,105</u>	<u>20,310</u>	<u>69,354</u>
<u>\$ 147</u>	<u>\$ 151</u>	<u>\$ 51,943</u>	<u>\$ 21,558</u>	<u>\$ 111,532</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Capital Projects Funds by Project Area
Year Ended September 30, 2010
(In Thousands)

	Downtown Project Area	West Beach Project Area	West Long Beach Industrial Project Area
REVENUES			
Interest income	\$ 53	\$ 5	\$ 141
Rental income	538	-	4
Other income	570	-	83
TOTAL REVENUES	<u>1,161</u>	<u>5</u>	<u>228</u>
EXPENDITURES			
Administrative costs	2,277	140	1,482
Professional services	125	10	50
Planning, survey, and design	573	11	79
Acquisition expense	28	-	19
Rental income	266	29	58
Relocation costs	1	-	24
Relocation payments	-	-	259
Site clearance costs	7	-	58
Project improvement/construction costs	4,951	361	2,493
Disposal costs	-	-	6
Loss on sale of land held for resale	-	-	1,253
Rehabilitation grants and loans	510	-	337
Furniture, fixture, and equipment	42	-	-
Pass-through charges	2	-	3
Debt service payments:			
City/County advances and loans—principal	-	-	-
Interest	508	-	8
TOTAL EXPENDITURES	<u>9,290</u>	<u>551</u>	<u>6,129</u>
Deficiency of revenues under expenditures	<u>(8,129)</u>	<u>(546)</u>	<u>(5,901)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of long-term debt	-	-	146
Advances between project areas	(4)	(1)	48
Land transfers	203	-	-
Transfers from Debt Service	9,152	890	2,606
Transfers from/(to) the other funds, net	-	-	(350)
Transfers from the City of Long Beach	-	-	-
Transfers to the City of Long Beach	(829)	-	(107)
TOTAL OTHER FINANCING SOURCES	<u>8,522</u>	<u>889</u>	<u>2,343</u>
Net change in fund balances	393	343	(3,558)
Fund balance (accumulated deficit) – October 1	34,379	(26)	26,842
FUND BALANCE (ACCUMULATED DEFICIT) – SEPTEMBER 30	<u>\$ 34,772</u>	<u>\$ 317</u>	<u>\$ 23,284</u>

See accompanying independent auditors' report.

Poly High Project Area	Project Income Fund	Los Altos Project Area	Central Long Beach Project Area	North Long Beach Project Area	Total
\$ -	\$ 35	\$ 1	\$ 29	\$ 71	\$ 335
-	1	-	408	169	1,120
6	-	-	575	42	1,276
<u>6</u>	<u>36</u>	<u>1</u>	<u>1,012</u>	<u>282</u>	<u>2,731</u>
66	22	116	2,381	3,136	9,620
15	-	-	200	242	642
6	-	-	451	582	1,702
1	-	-	325	73	446
154	-	-	452	630	1,589
1	-	-	37	49	112
-	-	-	(68)	720	911
-	-	-	36	239	340
124	-	-	4,198	6,402	18,529
-	-	-	31	-	37
-	-	-	1,143	-	2,396
-	-	-	312	4,872	6,031
-	-	-	32	-	74
-	-	303	85	3	396
-	-	-	2,471	-	2,471
1	-	-	6	13	536
<u>368</u>	<u>22</u>	<u>419</u>	<u>12,092</u>	<u>16,961</u>	<u>45,832</u>
<u>(362)</u>	<u>14</u>	<u>(418)</u>	<u>(11,080)</u>	<u>(16,679)</u>	<u>(43,101)</u>
-	-	303	3,669	1,854	5,972
-	-	(36)	(7)	-	-
-	-	-	(488)	-	(285)
553	-	243	7,566	17,512	38,522
(195)	550	(5)	-	-	-
-	-	-	332	-	332
-	-	-	(308)	(343)	(1,587)
<u>358</u>	<u>550</u>	<u>505</u>	<u>10,764</u>	<u>19,023</u>	<u>42,954</u>
(4)	564	87	(316)	2,344	(147)
<u>2,208</u>	<u>3,819</u>	<u>(2,232)</u>	<u>61,854</u>	<u>77,184</u>	<u>204,028</u>
<u>\$ 2,204</u>	<u>\$ 4,383</u>	<u>\$ (2,145)</u>	<u>\$ 61,538</u>	<u>\$ 79,528</u>	<u>\$ 203,881</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Debt Service Funds by Project Area
Year Ended September 30, 2010
(In Thousands)

	Downtown Project Area	West Beach Project Area	West Long Beach Industrial Project Area	Poly High Project Area
REVENUES				
Property tax increment	\$ 16,975	\$ 1,617	\$ 10,551	\$ 587
Transient occupancy Tax	-	-	-	-
Interest income	288	28	112	8
Other income	-	-	-	-
TOTAL REVENUES	<u>17,263</u>	<u>1,645</u>	<u>10,663</u>	<u>595</u>
EXPENDITURES				
Administrative costs	325	31	203	13
Professional services	10	1	3	-
Pass-through charges	8,253	560	4,283	218
Debt service payments:				
Bonds and notes payable – principal	3,287	531	1,295	193
Interest	4,028	303	1,781	29
Fiscal agent fees	9	2	5	2
TOTAL EXPENDITURES	<u>15,912</u>	<u>1,428</u>	<u>7,570</u>	<u>455</u>
Excess of revenues over expenditures	<u>1,351</u>	<u>217</u>	<u>3,093</u>	<u>140</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term debt	4,243	404	2,638	147
Operating transfers to Capital Projects	(9,152)	(890)	(2,606)	(553)
Operating transfers from the City of Long Beach	-	-	-	-
Operating transfers to the City of Long Beach	-	-	(522)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,909)</u>	<u>(486)</u>	<u>(490)</u>	<u>(406)</u>
Net change in fund balances	(3,558)	(269)	2,603	(266)
Fund balance – October 1	18,389	1,998	8,905	795
FUND BALANCE – SEPTEMBER 30	<u>\$ 14,831</u>	<u>\$ 1,729</u>	<u>\$ 11,508</u>	<u>\$ 529</u>

See accompanying independent auditors' report.

Project Income Fund	Los Altos Project Area	Central Long Beach Project Area	North Long Beach Project Area	Housing Fund	Total
\$ -	\$ 606	\$ 17,062	\$ 36,212	\$ -	\$ 83,610
3,218	-	-	-	-	3,218
5	22	230	546	195	1,434
-	117	-	410	-	527
<u>3,223</u>	<u>745</u>	<u>17,292</u>	<u>37,168</u>	<u>195</u>	<u>88,789</u>
-	12	347	1,089	-	2,020
9	-	-	5	-	28
-	179	11,311	19,741	-	44,545
-	280	775	2,019	750	9,130
-	124	2,736	5,318	2,768	17,087
-	1	1	6	7	33
<u>9</u>	<u>596</u>	<u>15,170</u>	<u>28,178</u>	<u>3,525</u>	<u>72,843</u>
<u>3,214</u>	<u>149</u>	<u>2,122</u>	<u>8,990</u>	<u>(3,330)</u>	<u>15,946</u>
-	152	4,265	42,033	-	53,882
-	(243)	(7,566)	(17,512)	-	(38,522)
-	-	-	-	3,330	3,330
<u>(5,555)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,125)</u>	<u>(8,202)</u>
<u>(5,555)</u>	<u>(91)</u>	<u>(3,301)</u>	<u>24,521</u>	<u>1,205</u>	<u>10,488</u>
<u>(2,341)</u>	<u>58</u>	<u>(1,179)</u>	<u>33,511</u>	<u>(2,125)</u>	<u>26,434</u>
<u>24,948</u>	<u>680</u>	<u>11,399</u>	<u>36,668</u>	<u>29,411</u>	<u>133,193</u>
<u>\$ 22,607</u>	<u>\$ 738</u>	<u>\$ 10,220</u>	<u>\$ 70,179</u>	<u>\$ 27,286</u>	<u>\$ 159,627</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Low- and Moderate-Income Housing Funds by Project Area
September 30, 2010
(In Thousands)

	Downtown Project Area	West Beach Project Area	West Long Beach Industrial Project Area
REVENUES			
Property tax increment – 20% set-aside	\$ 4,244	\$ 404	\$ 2,638
Interest income	-	-	34
Rental income	-	-	-
Other income	-	-	-
TOTAL REVENUES	<u>4,244</u>	<u>404</u>	<u>2,672</u>
EXPENDITURES			
Administrative costs	-	-	411
Professional services	-	-	-
Operation of acquired property	-	-	-
Relocation costs	-	-	-
Project improvement/construction costs	-	-	30
Loss on disposal of land held for resale	-	-	-
Interdepartmental charges	-	-	92
Rehabilitation grants and loans	-	-	556
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,089</u>
Excess of revenues over expenditures	<u>4,244</u>	<u>404</u>	<u>1,583</u>
OTHER FINANCING USES			
Land transfers	-	-	-
Transfers to the City	-	-	-
Transfers to the Redevelopment Agency	16,361	-	-
TOTAL OTHER FINANCING USES	<u>16,361</u>	<u>-</u>	<u>-</u>
Net change in fund balances	20,605	404	1,583
Fund balance – October 1	-	-	15,049
FUND BALANCE – SEPTEMBER 30	<u>\$ 20,605</u>	<u>\$ 404</u>	<u>\$ 16,632</u>

See accompanying independent auditors' report.

<u>Poly High Project Area</u>	<u>Los Altos Project Area</u>	<u>Central Long Beach Project Area</u>	<u>North Long Beach Project Area</u>	<u>Total</u>
\$ 147	\$ 151	\$ 4,265	\$ 9,053	\$ 20,902
-	-	55	171	260
-	-	118	-	118
-	-	561	-	561
<u>147</u>	<u>151</u>	<u>4,999</u>	<u>9,224</u>	<u>21,841</u>
-	-	845	1,893	3,149
-	-	-	318	318
-	-	-	291	291
-	-	20	-	20
-	-	103	94	227
-	-	-	6,577	6,577
-	-	325	315	732
-	-	731	3,992	5,279
<u>-</u>	<u>-</u>	<u>2,024</u>	<u>13,480</u>	<u>16,593</u>
<u>147</u>	<u>151</u>	<u>2,975</u>	<u>(4,256)</u>	<u>5,248</u>
-	-	488	(245)	243
-	-	270	-	270
-	-	(414)	(1,937)	14,010
<u>-</u>	<u>-</u>	<u>344</u>	<u>(2,182)</u>	<u>14,523</u>
147	151	3,319	(6,438)	19,771
-	-	7,786	26,748	49,583
<u>\$ 147</u>	<u>\$ 151</u>	<u>\$ 11,105</u>	<u>\$ 20,310</u>	<u>\$ 69,354</u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis) Capital Projects Fund
Year Ended September 30, 2010
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Interest income	\$ 1,133	\$ 1,133	\$ 335	\$ (798)
Rental income	904	904	1,120	216
Land sale proceeds	18,180	18,180	727	(17,453)
Other income	692	692	1,276	584
TOTAL REVENUES	20,909	20,909	3,458	(17,451)
EXPENDITURES				
Administration costs	9,154	9,360	12,612	(3,252)
Professional services	6,161	6,162	642	5,520
Planning survey and design	(1,441)	(1,441)	1,702	(3,143)
Acquisition costs	56,915	56,915	446	56,469
Operation of acquired property	3,311	3,311	1,589	1,722
Relocation costs	3,276	3,276	112	3,164
Relocation payments	1,125	1,125	911	214
Site clearance costs	(568)	(568)	340	(908)
Project improvement/construction costs	55,052	85,155	18,529	66,626
Disposal costs	(625)	(625)	37	(662)
Land purchases	(1,525)	(1,525)	7,083	(8,608)
Rehabilitation grants and loans	567	567	6,031	(5,464)
Furniture, fixture, and equipment	-	-	74	(74)
Pass-through charges	(507)	(507)	396	(903)
Debt service payments:				
U.S., state, and other long-term debt – principal	42	42	-	42
City/County advances and loan – principal	2,390	2,390	2,471	(81)
Interest	285	285	536	(251)
TOTAL EXPENDITURES	133,612	163,922	53,511	110,411
Deficiency of revenues under expenditures	(112,703)	(143,013)	(50,053)	92,960
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	288	288	5,972	5,684
Transfers in (out), net	(49,370)	(49,370)	38,522	87,892
Interagency payments	(7,605)	(7,605)	-	7,605
Transfer to the City	(2,204)	(2,204)	(1,323)	881
Transfer from the City	(91)	(91)	68	159
TOTAL OTHER FINANCING SOURCES (USES)	(58,982)	(58,982)	43,239	102,221
Net change in fund balances	(171,685)	(201,995)	(6,814)	195,181
Fund balance – October 1, budgetary basis	21,751	21,751	21,751	-
Encumbrances – beginning of year	4,913	4,913	4,913	-
FUND BALANCE (DEFICIT) – SEPTEMBER 30, BUDGETARY BASIS	\$ (145,021)	\$ (175,331)	\$ 19,850	\$ 195,181

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
 (A Component Financial Reporting Unit of the City of Long Beach, California)
 Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
 Budget and Actual (Non-GAAP Budgetary Basis) Debt Service Fund
 Year Ended September 30, 2010
 (In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax increment	\$ 71,328	\$ 71,328	\$ 83,610	\$ 12,282
Transient occupancy tax	860	860	3,218	2,358
Interest income	3,588	3,588	1,434	(2,154)
Other income	19,961	19,961	527	(19,434)
TOTAL REVENUES	95,737	95,737	88,789	(6,948)
EXPENDITURES				
Administration costs	447	447	2,020	(1,573)
Professional services	-	-	28	(28)
Operation of acquired property	7,771	7,771	-	7,771
Pass-through charges	41,950	41,950	44,545	(2,595)
Debt service payments:				
Bonds and notes payable – principal	8,621	8,621	9,130	(509)
Interest	18,321	18,321	17,087	1,234
Fiscal agent fees	225	605	33	572
TOTAL EXPENDITURES	77,335	77,715	72,843	4,872
Excess of Revenues over Expenditures	18,402	18,022	15,946	(2,076)
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	-	32,980	53,882	20,902
Transfers in (out), net	-	-	(38,522)	(38,522)
Transfer to the City	(13,649)	(13,649)	(8,202)	5,447
Transfer from the City	3,521	3,521	3,330	(191)
TOTAL OTHER FINANCING SOURCES (USES)	(10,128)	22,852	10,488	(12,364)
Net change in fund balances	8,274	40,874	26,434	(14,440)
Fund balance – October 1, budgetary basis	133,193	133,193	133,193	-
FUND BALANCE – SEPTEMBER 30, BUDGETARY BASIS	\$ 141,467	\$ 174,067	\$ 159,627	\$ (14,440)

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis) Low- and Moderate-Income Housing Fund
Year Ended September 30, 2010
(In Thousands)

	Budgeted Amounts		Actual On Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property tax increment – 20% set-aside	\$ 42,947	\$ 42,947	\$ 20,902	\$ (22,045)
Rental income	25	25	118	93
Interest income	1,108	1,109	260	(849)
Loan repayments – principal	330	720	542	(178)
Other	421	81	19	(62)
Total revenues	<u>44,831</u>	<u>44,882</u>	<u>21,841</u>	<u>(23,041)</u>
Expenditures:				
Administration costs	13,249	13,405	3,168	10,237
Acquisition costs	250	256	-	256
Relocation costs	2,395	3,191	20	3,171
Disposition costs	125	125	-	125
Professional services	5,237	4,392	318	4,074
Planning, survey, and design	402	262	-	262
Operation of acquired property	506	424	291	133
Low- and moderate-income housing loans/grants	34,449	53,839	5,279	48,560
Project improvement/construction costs	1,439	527	227	300
Interdepartmental charges	852	853	732	121
Land purchases	850	850	-	850
Property and other taxes	85	92	14	78
Debt service payments:				
Principal	229	229	-	229
Fiscal agent fees	14	14	-	14
Total expenditures	<u>60,082</u>	<u>78,459</u>	<u>10,049</u>	<u>68,410</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(15,251)</u>	<u>(33,577)</u>	<u>11,792</u>	<u>45,369</u>
Other financing sources (uses):				
Transfers (to)/from the Redevelopment Agency	7,822	7,832	14,010	6,178
Transfers (to)/from the Housing Development Company	9,695	1,628	-	(1,628)
Transfers (to)/from the City	(8)	7,017	270	(6,747)
Total other financing sources (uses)	<u>17,509</u>	<u>16,477</u>	<u>14,280</u>	<u>(2,197)</u>
Net change in fund balances	2,258	(17,100)	26,072	43,172
Fund balance – October 1, budgetary basis	42,937	42,937	42,937	-
Encumbrances, beginning of year	1	1	1	-
Encumbrances, beginning of year	<u>\$ 45,196</u>	<u>\$ 25,838</u>	<u>\$ 69,010</u>	<u>\$ 43,172</u>

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
Downtown Project Area – Capital and Debt Service
Year Ended September 30, 2010
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property tax increment	\$ 13,885	\$ 13,885	\$ 16,975	\$ 3,090
Interest income	448	448	341	(107)
Rental income	817	817	538	(279)
Land sale proceeds	18,180	18,180	-	(18,180)
Other income	4,616	4,616	570	(4,046)
TOTAL REVENUES	37,946	37,946	18,424	(19,522)
EXPENDITURES				
Administration costs	1,356	1,426	3,355	(1,929)
Professional services	1,222	1,222	135	1,087
Planning survey and design	(1,069)	(1,069)	573	(1,642)
Acquisition costs	2,139	2,139	28	2,111
Operation of acquired property	5,142	5,142	266	4,876
Relocation costs	-	-	1	(1)
Relocation payments	1,750	1,750	-	1,750
Site clearance costs	-	-	7	(7)
Project improvement/construction costs	18,554	18,562	4,951	13,611
Land purchases	7,087	7,087	2,910	4,177
Rehabilitation grants and loans	-	-	510	(510)
Furniture, fixture, and equipment	-	-	42	(42)
Pass-through charges	7,633	7,633	8,255	(622)
Debt service payments:				
Bonds and notes payable – principal	2,545	2,545	3,287	(742)
Interest	5,108	5,108	4,536	572
Fiscal agent fees	83	83	9	74
TOTAL EXPENDITURES	51,550	51,628	28,865	22,763
Deficiency of revenues over under expenditures	(13,604)	(13,682)	(10,441)	3,241
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	-	-	4,243	4,243
Land transfers	-	-	-	-
Transfers in (out), net	(6,701)	(6,701)	-	6,701
Interagency payments	(800)	(800)	(4)	796
Transfer to the City	(829)	(829)	(829)	-
TOTAL OTHER FINANCING SOURCES (USES)	(8,330)	(8,330)	3,410	11,740
Net change in fund balances	(21,934)	(22,012)	(7,031)	14,981
Fund balance – October 1, budgetary basis	24,837	24,837	24,837	-
Encumbrances – beginning of year	308	308	308	-
FUND BALANCE – SEPTEMBER 30, BUDGETARY BASIS	\$ 3,211	\$ 3,133	\$ 18,114	\$ 14,981

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
West Beach Project Area – Capital and Debt Service
Year Ended September 30, 2010
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property tax increment	\$ 1,262	\$ 1,262	\$ 1,617	\$ 355
Interest income	75	75	33	(42)
Other income	364	364	-	(364)
TOTAL REVENUES	1,701	1,701	1,650	(51)
EXPENDITURES				
Administration costs	115	117	172	(55)
Professional services	5	5	11	(6)
Planning survey and design	(22)	(22)	11	(33)
Operation of acquired property	28	28	29	(1)
Project improvement/construction costs	1,473	1,473	361	1,112
Pass-through charges	510	510	560	(50)
Debt service payments:				
Bonds and notes payable – principal	460	460	531	(71)
Interest	377	377	303	74
Fiscal agent fees	-	-	2	(2)
TOTAL EXPENDITURES	2,946	2,948	1,980	968
Deficiency of revenues under expenditures	(1,245)	(1,247)	(330)	917
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	-	-	404	404
Transfers in (out), net	(1,201)	(1,201)	-	1,201
Interagency payments	-	-	(1)	(1)
TOTAL OTHER FINANCING SOURCES (USES)	(1,201)	(1,201)	403	1,604
Net change in fund balances	(2,446)	(2,448)	73	2,521
Fund balance – October 1, budgetary basis	1,972	1,972	1,972	-
FUND BALANCE (DEFICIT) – SEPTEMBER 30, BUDGETARY BASIS	\$ (474)	\$ (476)	\$ 2,045	\$ 2,521

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
West Long Beach Industrial Project Area – Capital and Debt Service
Year Ended September 30, 2010
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax increment	\$ 8,315	\$ 8,315	\$ 10,551	\$ 2,236
Interest income	1,548	1,548	253	(1,295)
Rental income	-	-	4	4
Land sale proceeds	-	-	692	692
Other income	2,063	2,063	83	(1,980)
TOTAL REVENUES	11,926	11,926	11,583	(343)
EXPENDITURES				
Administration costs	3,248	3,299	2,229	1,070
Professional services	3	3	53	(50)
Planning survey and design	(324)	(324)	79	(403)
Acquisition costs	4,550	4,550	19	4,531
Operation of acquired property	2,039	2,039	58	1,981
Relocation costs	3,491	3,491	24	3,467
Relocation payments	474	474	259	215
Site clearance costs	(29)	(29)	58	(87)
Project improvement/construction costs	4,320	4,355	2,492	1,863
Disposal costs	15	15	6	9
Land purchases	6,637	6,637	421	6,216
Rehabilitation grants and loans	(825)	(825)	337	(1,162)
Pass-through charges	4,085	4,085	4,286	(201)
Debt service payments:				
Bonds and notes payable – principal	1,096	1,096	1,295	(199)
Interest	2,039	2,039	1,789	250
Fiscal agent fees	3	3	5	(2)
TOTAL EXPENDITURES	30,822	30,908	13,410	17,498
Deficiency of revenues under expenditures	(18,896)	(18,982)	(1,827)	17,155
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	-	-	2,784	2,784
Transfers in (out), net	(12,372)	(12,372)	-	12,372
Interagency payments	-	-	(302)	(302)
Transfer to the City	(1,539)	(1,539)	(629)	910
TOTAL OTHER FINANCING SOURCES (USES)	(13,911)	(13,911)	1,853	15,764
Net change in fund balances	(32,807)	(32,893)	26	32,919
Fund balance – October 1, budgetary basis	24,537	24,537	24,537	-
Encumbrances – beginning of year	2,270	2,270	2,270	-
FUND BALANCE (DEFICIT) – SEPTEMBER 30, BUDGETARY BASIS	\$ (6,000)	\$ (6,086)	\$ 26,833	\$ 32,919

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
Poly High Project Area – Capital and Debt Service
Year Ended September 30, 2010
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property tax increment	\$ 494	\$ 494	\$ 587	\$ 93
Interest income	84	84	8	(76)
Other income	174	174	6	(168)
TOTAL REVENUES	752	752	601	(151)
EXPENDITURES				
Administration costs	135	135	79	56
Professional services	8	8	15	(7)
Planning survey and design	(42)	(42)	6	(48)
Acquisition costs	2,488	2,488	1	2,487
Operation of acquired property	25	25	154	(129)
Relocation costs	-	-	1	(1)
Project improvement/construction costs	26	26	124	(98)
Pass-through charges	213	213	218	(5)
Debt service payments:				
Bonds and notes payable – principal	166	166	193	(27)
Interest	63	63	30	33
Fiscal agent fees	5	5	2	3
TOTAL EXPENDITURES	3,087	3,087	823	2,264
Excess (Deficiency) of Revenues over (under) Expenditures	(2,335)	(2,335)	(222)	2,113
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	-	-	147	147
Transfers in (out), net	(2,978)	(2,978)	-	2,978
Interagency payments	-	-	(195)	(195)
TOTAL OTHER FINANCING SOURCES (USES)	(2,978)	(2,978)	(48)	2,930
Net change in fund balances	(5,313)	(5,313)	(270)	5,043
Fund balance – October 1, budgetary basis	800	800	800	-
FUND BALANCE (DEFICIT) – SEPTEMBER 30, BUDGETARY BASIS	\$ (4,513)	\$ (4,513)	\$ 530	\$ 5,043

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
Project Income Fund – Capital and Debt Service
Year Ended September 30, 2010
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Transient occupancy tax	\$ 860	\$ 860	\$ 3,218	\$ 2,358
Interest income	-	-	40	40
Rental income	-	-	1	1
TOTAL REVENUES	860	860	3,259	2,399
EXPENDITURES				
Administration costs	47	48	22	26
Professional services	-	-	9	(9)
Project improvement/construction costs	15	15	-	15
TOTAL EXPENDITURES	62	63	31	32
Excess of revenues over expenditures	798	797	3,228	2,431
OTHER FINANCING SOURCES (USES)				
Interagency payments	(6,200)	(6,200)	550	6,750
Transfer to the City	(4,270)	(4,270)	(5,555)	(1,285)
TOTAL OTHER FINANCING SOURCES (USES)	(10,470)	(10,470)	(5,005)	5,465
Net change in fund balances	(9,672)	(9,673)	(1,777)	7,896
Fund balance – October 1, budgetary basis	28,767	28,767	28,767	-
FUND BALANCE – SEPTEMBER 30, BUDGETARY BASIS	\$ 19,095	\$ 19,094	\$ 26,990	\$ 7,896

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
Los Altos Project Area – Capital and Debt Service
Year Ended September 30, 2010
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property tax increment	\$ 443	\$ 443	\$ 606	\$ 163
Interest income	32	32	23	(9)
Other income	749	749	117	(632)
TOTAL REVENUES	1,224	1,224	746	(478)
EXPENDITURES				
Administration costs	125	129	132	(3)
Operation of acquired property	15	15	-	15
Project improvement/construction costs	160	160	-	160
Pass-through charges	409	409	482	(73)
Debt service payments:				
Bonds and notes payable – principal	265	265	280	(15)
Interest	162	162	124	38
Fiscal agent fees	-	-	1	(1)
TOTAL EXPENDITURES	1,136	1,140	1,019	121
Excess (Deficiency) of revenues over (under) expenditures	88	84	(273)	(357)
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	288	288	454	166
Transfers in (out), net	(134)	(134)	-	134
Interagency payments	(605)	(605)	(41)	564
TOTAL OTHER FINANCING SOURCES (USES)	(451)	(451)	413	864
Net change in fund balances	(363)	(367)	140	507
Fund deficit – October 1, budgetary basis	(1,555)	(1,555)	(1,555)	-
Encumbrances – beginning of year	4	4	4	-
FUND DEFICIT – SEPTEMBER 30, BUDGETARY BASIS	\$ (1,914)	\$ (1,918)	\$ (1,411)	\$ 507

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
Central Long Beach Project Area – Capital and Debt Service
Year Ended September 30, 2010
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property tax increment	\$ 16,081	\$ 16,081	\$ 17,062	\$ 981
Interest income	70	70	259	189
Rental income	121	121	408	287
Land sale proceeds	-	-	35	35
Other income	4,248	4,248	575	(3,673)
TOTAL REVENUES	20,520	20,520	18,339	(2,181)
EXPENDITURES				
Administration costs	1,342	1,412	3,453	(2,041)
Professional services	216	216	200	16
Planning survey and design	196	196	451	(255)
Acquisition costs	21,330	21,330	325	21,005
Operation of acquired property	923	923	452	471
Relocation costs	(100)	(100)	37	(137)
Relocation payments	(1,083)	(1,083)	(68)	(1,015)
Site clearance costs	(44)	(44)	36	(80)
Project improvement/construction costs	2,872	2,903	4,198	(1,295)
Disposal costs	(629)	(629)	31	(660)
Land purchases	6,290	6,290	2,315	3,975
Rehabilitation grants and loans	(453)	(453)	312	(765)
Furniture, fixture, and equipment	-	-	32	(32)
Pass-through charges	10,732	10,732	11,396	(664)
Debt service payments:				
Bonds and notes payable – principal	690	690	775	(85)
City/County advances and loan – principal	2,390	2,390	2,471	(81)
Interest	3,100	3,100	2,743	357
Fiscal agent fees	16	16	1	15
TOTAL EXPENDITURES	47,788	47,889	29,160	18,729
Deficiency of revenues under expenditures	(27,268)	(27,369)	(10,821)	16,548
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	-	-	7,934	7,934
Transfers in (out), net	(18,501)	(18,501)	-	18,501
Interagency payments	1,300	1,300	(7)	(1,307)
Transfer to the City	-	-	(308)	(308)
Transfer from the City	(91)	(91)	332	423
TOTAL OTHER FINANCING SOURCES (USES)	(17,292)	(17,292)	7,951	25,243
Net change in fund balances	(44,560)	(44,661)	(2,870)	41,791
Fund balance – October 1, budgetary basis	9,654	9,654	9,654	-
Encumbrances – beginning of year	1,376	1,376	1,376	-
FUND BALANCE (DEFICIT) – SEPTEMBER 30, BUDGETARY BASIS	\$ (33,530)	\$ (33,631)	\$ 8,160	\$ 41,791

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
North Long Beach Project Area – Capital and Debt Service
Year Ended September 30, 2010
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property tax increment	\$ 30,848	\$ 30,848	\$ 36,212	\$ 5,364
Interest income	2,310	2,310	617	(1,693)
Rental income	(34)	(34)	169	203
Other income	8,439	8,439	452	(7,987)
TOTAL REVENUES	41,563	41,563	37,450	(4,113)
EXPENDITURES				
Administration costs	3,233	3,241	5,191	(1,950)
Professional services	4,707	4,708	247	4,461
Planning survey and design	(180)	(180)	582	(762)
Acquisition costs	26,408	26,408	73	26,335
Operation of acquired property	2,910	2,910	630	2,280
Relocation costs	(115)	(115)	49	(164)
Relocation payments	(16)	(16)	720	(736)
Site clearance costs	(495)	(495)	239	(734)
Project improvement/construction costs	27,632	57,661	6,402	51,259
Disposal costs	(11)	(11)	-	(11)
Land purchases	(21,539)	(21,539)	1,437	(22,976)
Rehabilitation grants and loans	1,845	1,845	4,872	(3,027)
Pass-through charges	17,861	17,861	19,744	(1,883)
Debt service payments:				
Bonds and notes payable – principal	2,729	2,729	2,019	710
U.S., State, and other long-term debt – principal	42	42	-	42
Interest	4,773	4,773	5,331	(558)
Fiscal agent fees	113	493	6	487
TOTAL EXPENDITURES	69,897	100,315	47,542	52,773
Deficiency of revenues under expenditures	(28,334)	(58,752)	(10,092)	48,660
OTHER FINANCING SOURCES (USES)				
Proceeds from other long-term debt	-	32,980	43,887	10,907
Transfers in (out), net	(7,483)	(7,483)	-	7,483
Interagency payments	(1,300)	(1,300)	-	1,300
Transfer to the City	(375)	(375)	(343)	32
TOTAL OTHER FINANCING SOURCES (USES)	(9,158)	23,822	43,544	19,722
Net change in fund balances	(37,492)	(34,930)	33,452	68,382
Fund balance – October 1, budgetary basis	36,521	36,521	36,521	-
Encumbrances – beginning of year	955	955	955	-
FUND BALANCE (DEFICIT) – SEPTEMBER 30, BUDGETARY BASIS	\$ (16)	\$ 2,546	\$ 70,928	\$ 68,382

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis) by Project Area and Project Income
Housing Fund – Debt Service
Year Ended September 30, 2010
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Interest income	\$ 154	\$ 154	\$ 195	\$ 41
TOTAL REVENUES	<u>154</u>	<u>154</u>	<u>195</u>	<u>41</u>
EXPENDITURES				
Debt service payments:				
Bonds and notes payable-principal	670	670	750	(80)
Interest	2,984	2,984	2,768	216
Fiscal agent fees	5	5	7	(2)
TOTAL EXPENDITURES	<u>3,659</u>	<u>3,659</u>	<u>3,525</u>	<u>134</u>
Deficiency of revenues under expenditures	<u>(3,505)</u>	<u>(3,505)</u>	<u>(3,330)</u>	<u>175</u>
OTHER FINANCING SOURCES (USES)				
Transfer to the City	(8,840)	(8,840)	(2,125)	6,715
Transfer from the City	3,521	3,521	3,330	(191)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,319)</u>	<u>(5,319)</u>	<u>1,205</u>	<u>6,524</u>
Net change in fund balances	(8,824)	(8,824)	(2,125)	6,699
Fund balance – October 1, budgetary basis	<u>29,411</u>	<u>29,411</u>	<u>29,411</u>	<u>-</u>
FUND BALANCE – SEPTEMBER 30, BUDGETARY BASIS	<u>\$ 20,587</u>	<u>\$ 20,587</u>	<u>\$ 27,286</u>	<u>\$ 6,699</u>

See accompanying independent auditors' report.

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Supplementary Financial Information
September 30, 2010

Supplementary Note: Reconciliation of Actual Revenues and Expenditures to the Non-GAAP Budgetary Basis

For the Capital Project Funds, Debt Service Funds, and the Low- and Moderate-Income Housing Fund, budget information is presented on a non-GAAP budgetary basis. Appropriations represent budgeted amounts to be expended or encumbered during the period as presented on the combining schedule of revenues, expenditures, and changes in fund balance budget and actual, pages 64 – 65.

Budgeted revenue and expenditure amounts represent the original budget modified by adjustments authorized during the year. The legal level of budgetary control is at the fund. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year, which were contingent upon new, or additional revenue sources. Total expenditures of each governmental fund may not legally exceed total appropriations at the fund level.

The following reconciles actual revenues and expenditures for Agency funds to the non-GAAP budgetary basis by fund type for the fiscal year ended September 30, 2010 (in thousands):

	Capital Project Funds	Debt Service Funds	Total
Beginning fund balance at October 1, 2009, on an actual GAAP basis	\$ 204,028	\$ 133,193	\$ 337,221
Encumbrances outstanding at October 1, 2009	(4,913)	-	(4,913)
Cumulative effect of capitalization of land held for resale at October 1, 2009	(177,364)	-	(177,364)
Beginning fund balance at October 1, 2009, on a budgetary basis	<u>21,751</u>	<u>133,193</u>	<u>154,944</u>
Actual GAAP basis revenue	2,731	88,789	91,520
Adjustment to GAAP basis revenues:			
Proceeds from the sale of land for resale	727	-	727
Revenues on a budgetary basis	<u>3,458</u>	<u>88,789</u>	<u>92,247</u>
Actual GAAP basis expenditures	45,832	72,843	118,675
Adjustments to GAAP basis expenditures:			
Encumbrances outstanding at October 1, 2009	(4,913)	-	(4,913)
Encumbrances outstanding at September 30, 2010	2,992	-	2,992
Loss on sale of land held for resale	(2,396)	-	(2,396)
Current effect of capitalization of land held for resale	7,083	-	7,083
Expenditures on a budgetary basis	<u>48,598</u>	<u>72,843</u>	<u>121,441</u>
Excess (Deficiency) of revenues over (under) expenditures on a budgetary basis	<u>(45,140)</u>	<u>15,946</u>	<u>(29,194)</u>
Other financing sources, on an actual GAAP basis	42,954	10,488	53,442
Transfers of land held for resale	285	-	285
Other financing sources, on a budgetary basis	<u>43,239</u>	<u>10,488</u>	<u>53,727</u>
Net change in fund balances, on a budgetary basis	<u>(1,901)</u>	<u>26,434</u>	<u>24,533</u>
Ending fund balance at September 30, 2010, on a budgetary basis	<u>\$ 19,850</u>	<u>\$ 159,627</u>	<u>\$ 179,477</u>

**Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Supplementary Financial Information
September 30, 2010**

The following reconciles actual revenues and expenditures for the Low- and Moderate-Income Housing Fund to the non-GAAP budgetary basis for the fiscal year ended September 30, 2010 (in thousands):

Beginning fund balance at October 1, 2009, on an actual GAAP basis	\$49,583
Encumbrances outstanding at October 1, 2009	(1)
Cumulative effect of capitalization of land held for resale at October 1, 2009	<u>(6,645)</u>
Beginning fund balance at October 1, 2009, on a budgetary basis	<u>42,937</u>
Actual GAAP basis revenue	<u>21,841</u>
Revenues on a budgetary basis	<u>21,841</u>
Actual GAAP basis expenditures	16,593
Adjustments to GAAP basis expenditures:	
Encumbrances outstanding at October 1, 2009	(1)
Encumbrances outstanding at September 30, 2010	33
Loss on sale of land held for resale	<u>(6,577)</u>
Expenditures on a budgetary basis	<u>10,048</u>
Excess of revenues over expenditures on a budgetary basis	<u>11,793</u>
Other financing uses, on an actual GAAP basis	14,523
Adjustment to GAAP basis other financing sources (uses):	
Transfers of land held for resale	<u>(243)</u>
Other financing uses, on a budgetary basis	<u>14,280</u>
Net change in fund balance, on a budgetary basis	<u>26,073</u>
Ending fund balance at September 30, 2010, on a budgetary basis	<u><u>\$69,010</u></u>

Redevelopment Agency of the City of Long Beach
(A Component Financial Reporting Unit of the City of Long Beach, California)
Schedule of Changes in Long-Term Debt
Year Ended September 30, 2010
(In Thousands)

	Balance September 30 2009	Additions	Deductions	Balance September 30 2010
<u>Poly High Project</u>				
Bonds-Tax Allocation Bonds 2002	\$ 599	\$ -	\$ 193	\$ 406
Bonds-Tax Allocation Bonds 2005A-2	2,558	-	-	2,558
Total	3,157	-	193	2,964
<u>West Beach Project</u>				
Bonds-Tax Allocation Bonds 2002	5,880	-	531	5,349
Bonds-Tax Allocation Bonds 2005A-2	839	-	-	839
Total	6,719	-	531	6,188
<u>West Long Beach Ind'l Proj.</u>				
Bonds-Tax Allocation Bonds 1992	13,325	-	1,160	12,165
Bonds-Tax Allocation Bonds 2002B	19,295	-	135	19,160
Note-Cal-Can Holdings, LLC				
Purchase of Property, 2144 W. 16th St.	-	146	-	146
Total	32,620	146	1,295	31,471
<u>Downtown Project</u>				
Bonds-Tax Allocation Bonds 1992A	29,590	-	2,575	27,015
Bonds-Tax Allocation Bonds 2002A	14,921	-	662	14,259
Bonds-Tax Allocation Bonds 2002B	22,615	-	-	22,615
Bonds-Tax Allocation Bonds 2005C	7,740	-	50	7,690
Total	74,866	-	3,287	71,579
<u>Los Altos Project</u>				
Bonds-Tax Allocation Bonds 2005A-1	3,620	-	280	3,340
Notes-Los Angeles County-Share of Tax Increment: Principal	2,706	300	-	3,006
Interest Payable	552	108	-	660
Notes-Los Angeles County Office of Education- Share of Tax Increment: Principal	21	2	-	23
Interest Payable	5	1	-	6
Total	6,904	411	280	7,035
<u>Central Long Beach Proj</u>				
Bonds-Tax Allocation Bonds 2005A-1	21,568	-	309	21,259
Bonds-Tax Allocation Bonds 2005B	32,547	-	466	32,081
Total	54,115	-	775	53,340
<u>North Long Beach Project</u>				
Bonds-Tax Allocation Bonds 2002	8,988	-	819	8,169
Bonds-Tax Allocation Bonds 2005A-1	36,349	-	730	35,619
Bonds-Tax Allocation Bonds 2005B	23,376	-	470	22,906
Bonds-Tax Allocation Bonds 2005C	27,145	-	-	27,145
Bonds-Tax Allocation Bonds 2010A	-	22,235	-	22,235
Bonds-Tax Allocation Bonds 2010B	-	10,745	-	10,745
Total	95,858	32,980	2,019	126,819
<u>Housing Fund</u>				
Bonds-Tax Allocation Bonds 2005B	52,935	-	750	52,185
Total	52,935	-	750	52,185
TOTAL AGENCY LONG-TERM DEBT	\$ 327,174	\$ 33,537	\$ 9,130	\$ 351,581
Long-term indebtedness is summarized as follows:				
Notes	\$ 3,284	\$ 557	\$ -	\$ 3,841
Bonds	323,890	32,980	9,130	347,740
Total	\$ 327,174	\$ 33,537	\$ 9,130	\$ 351,581

See accompanying independent auditors' report.

**Auditor's Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***



KPMG LLP
Suite 700
20 Pacifica
Irvine, CA 92618-3391

**Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

The Honorable Mayor and City Council
City of Long Beach, California

The Honorable Members of the Redevelopment Agency Board
City of Long Beach, California

We have audited the combined financial statements of the governmental activities and each major fund of the Redevelopment Agency of the City of Long Beach (the Agency), a component financial reporting unit of the City of Long Beach, California (the City), and the City of Long Beach Low- and Moderate-Income Housing Fund, as of and for the year ended September 30, 2010, which collectively comprise the Agency's combined financial statements and have issued our report thereon dated March 30, 2010. The Agency's combined financial statements are prepared using accounting practices required by the State of California Health and Safety Code Section 33080.1, which practices differ from U.S. generally accepted accounting principles. As such, the combined financial statements do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the Agency as of September 30, 2010, or the changes in the Agency's financial position for the year then ended. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions included those provisions of laws identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies*, issued by the State Controller and as interpreted in the *Suggested Auditing Procedures for Accomplishing compliance Audits of California Redevelopment Agencies*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City's mayor, City Council, the City's management, the Agency's board, the Agency's management, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

March 30, 2010

General Information

**DOWNTOWN REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2009-2010
WITH ACCOMPLISHMENTS FOR FY 2009-2010**

GOAL #1

Encourage neighborhood revitalization through commercial and mixed-use development in the Downtown in conformance with the Redevelopment Plan and the Downtown Strategy for Development.

- Provide incentives to appropriate retailers to locate in Downtown.
- Continue to facilitate development of the Hotel Esterel site (formerly D'Orsay Hotel).
- Implement DDA for West Gateway Project with Lyon Realty Advisors.
- Solicit Requests for Proposals (RFPs) from qualified developers for a mixed-use development for the half block bordered by 3rd and 4th Streets and Pacific Avenue.
- Implement MOU between CSU Long Beach and RDA to explore financial feasibility and conceptual design for the redevelopment of the block at Long Beach Boulevard and 3rd Street (Broadway Block).
- Negotiate DDA with AloftLB, LLC for a hotel project along Long Beach Boulevard between Alta Way and Broadway.
- Continue to work with the owner of Pine Square/Pacific Court on the reuse/ conversion of underutilized AMC Theater space into retail or condominiums.
- Negotiate DDA with Urban Growth Long Beach for development of a hotel on the southern portion of the block at 1st Street, Long Beach Boulevard and Alta Way.
- Finalize site plan for the reuse of the American Hotel and submit for planning approvals and CEQA clearance.
- Continue to pursue development of sites along Ocean Blvd.

ACCOMPLISHMENTS

- Worked in partnership with Downtown Long Beach Associates and the City's Economic Development Bureau to provide incentive packages for appropriate retailers to establish businesses on Pine Avenue.
- Purchased the balance of the Hotel Esterel site (formerly D'Orsay Hotel) from the developer, released a Request for Proposals for development of the site, and received three proposals to evaluate.
- Monitored the construction and completion of Lyon Realty Advisors' West Gateway project (291 units, 26 affordable units) in accordance with the terms of their DDA.
- Released a Request for Proposals, evaluated proposals, selected developer and entered into an Agreement to Negotiate Exclusively with City Ventures for development of a mixed-use project on the half-block bordered by 3rd and 4th streets and Pacific Avenue.

- Extended for an additional year the term of the Memorandum of Understanding with California State University, Long Beach (CSULB) related to graduate housing and a Downtown arts program. Continued to refine development concepts and financial pro formas for the project.
- Terminated negotiations with AloftLB, LLC for the development of a hotel on the corner of Broadway and Long Beach Boulevard.
- Continued to work with the owner of Pine Square/Pacific Court to secure new retail or alternative uses for the underutilized AMC Theater space, which could include conversion into condominiums.
- Terminated negotiations with Urban Growth Long Beach for a hotel project along Long Beach Boulevard between 1st Street and Broadway (MTA Block).
- Selected a developer for the reuse of the American Hotel and entered into an Agreement to Negotiate Exclusively with Urbana Development, LLC.
- Commenced negotiations with the owner for acquisition of the long-vacant property at 100 East Ocean Boulevard, which includes the historic Jergens Trust Tunnel.
- Entered into discussions with Long Beach City College to open a Small Business Development Center in Downtown.
- Worked with Lyon Promenade to attract Beachwood BBQ to the commercial space in their Lofts at Promenade project.

GOAL #2

Encourage open space and public art development in the Downtown in conformance with the Redevelopment Plan and the Downtown Strategy for Development.

- Implement Phase I of the Art Exchange at the southeast corner of Long Beach Boulevard and 3rd Street.
- Complete construction design for The Promenade Open Space Master Plan and public art installation on the remaining blocks including Promenade Square & BikeStation, South Block and Victory Park, and North Block/Mural Park.
- Begin construction of South Block and Victory Park. Implement public art on key corridors with Ocean Boulevard as a priority.
- Continue working with Phantom Galleries to place interim public art exhibits in vacant storefronts.

ACCOMPLISHMENTS

- Finalized conceptual plans and began development of construction drawings for the Art Exchange and continued to move forward in obtaining project entitlements and CEQA clearance for the project. Worked with the Art Exchange Board on the development of their operations, programming, vision and fund-raising.

- Provided temporary office space for the ARTX Annex, a center of operations for the fundraising and programming efforts in preparation for the opening of the Art Exchange facility.
- Completed construction of the “Aerial Canopy” public art sculpture along with the new Promenade Square open space on the mid-block. Finalized conceptual plans and commenced construction drawings and permitting for the Promenade south block improvements and public art. Continued to work on conceptual plans for the north block.
- Installed temporary mural around the BikeStation construction site adjacent to Promenade Square.
- Finalized conceptual plans and completed construction drawings, solicited bids, and entered into a contract for the construction of a new permanent BikeStation facility.
- Installed a new mural on Ocean Blvd. between Pine and the Promenade. With the waterfront as the backdrop, the mural depicts in silhouette favorite places and activities enjoyed by people living, working or visiting the Downtown.
- Completed temporary improvements and public art in vacant lot on Pine Avenue at 7th Street.
- Installed lights at base of palm trees to uplight Ocean Boulevard medians.
- Completed construction drawings and began fabrication of the Seagrass public art sculptures on Ocean Boulevard medians between Magnolia and Chestnut Avenues.
- Continued partnership with Phantom Galleries to place approximately 120 temporary art installations in 32 empty storefronts in Downtown Long Beach.
- Worked in partnership with Lyon Management Group, the Arts Council for Long Beach, and the Museum of Latin American Art to develop and open the Collaborative art gallery in the Gallery421 project as part of the developer’s Percent for Public Art project.
- Provided studio space for the muralist to fabricate the mural that will be installed on the Gallery421 project.

GOAL #3

Encourage infrastructure and public improvements in conformance with the Redevelopment Plan and Downtown Strategy for Development.

- Begin construction of open space and pedestrian linkages (Phase I in front of Lyon West Gateway) through the West Gateway Area to The Promenade and Long Beach Boulevard.
- Implement recommendations of the Downtown Parking Study.

- Initiate plans to redevelop the 3rd Street and Promenade site adjacent to the WPA Mosaic (Mural Park) into open space.
- Seek additional funding for the construction of additional parking spaces at CityPlace south garage.

ACCOMPLISHMENTS

- Terminated the 3rd Street Master Plan pertaining to open space and pedestrian linkages through the West Gateway Area to the Promenade and Long Beach Boulevard.
- Continued work on the Pine Avenue Streetscape Improvement Project, soliciting input through several community outreach sessions.
- Widened the sidewalk at the southeast corner of Pine and Ocean, allowing a better flow of pedestrian traffic at the intersection and on Ocean Boulevard.
- Installed automated parking system in the Civic Center parking structure. Continued to enhance directional signage to Downtown parking.
- Continued public information program on changes to Downtown parking, including working with the Downtown Long Beach Associates (DLBA) on updates to the web site to provide parking information and an online reservation system.
- In conjunction with the Promenade south block improvements, continued to refine plans for the north block and Mural Park.
- Continued to develop plans for CityPlace Parking Garage Expansion, Improvements and upgrades.
- Relocated and upgraded the Parking Operations Office at CityPlace.

GOAL #4

Support the development of affordable housing in Long Beach.

- Transfer 20% of available project area tax increment to the Housing Development Fund.

ACCOMPLISHMENTS

- Transferred 20% of available tax increment to the Housing Development Fund.
- Monitored the construction of Lyon Realty Advisors' West Gateway project, which included 26 affordable units.

GOAL #5

Encourage effective Project Area administration in conformance with the Redevelopment Plan and Downtown Strategy for Development.

- Continue participation in Downtown Community Plan, a comprehensive revision of PD30 Zoning for height and density flexibility and for mixed-use project standards.

- Continue participation in General Plan update.
- Continue partnership with Downtown Long Beach Associates (DLBA) and Downtown businesses through contributions to marketing and economic development efforts.
- Provide staff support for the Downtown Property Based Improvement District (PBID) and the Downtown Long Beach Associates (DLBA).

ACCOMPLISHMENTS

- Participated in the General Plan update process.
- Worked with the DLBA on the completion of the Downtown Long Beach Retail Visioning Report.
- Continued agreement with DLBA to conduct economic development program.
- Launched storefront activation program in partnership with the Downtown Long Beach Associates to apply graphic images and other visual improvements to vacant storefronts.
- Contributed to Downtown marketing efforts.
- Attended DLBA meetings to report on redevelopment activities.

**DOWNTOWN REDEVELOPMENT PROJECT AREA
GOALS AND WORK PLAN FOR FY 2010-2011**

1) Encourage neighborhood revitalization through commercial and mixed-use development in the Downtown in conformance with the Redevelopment Plan and the Downtown Strategy for Development

- Provide incentives to appropriate retailers to locate in Downtown.
- Determine appropriate use and solicit development of the former D'Orsay Hotel site.
- Negotiate DDA with City Ventures for development of the half block bordered by 3rd Street, 4th Street, Pacific Avenue and Solana Court.
- Implement MOU between CSU Long Beach and RDA to explore financial feasibility and conceptual design for the development of the CSULB Fine Arts Graduate Program facilities, including student and/or faculty housing on the half-block at Broadway and Long Beach Boulevard (Broadway Block).
- Determine appropriate use and solicit development of the southwest corner of Broadway and Long Beach Boulevard.
- Negotiate DDA with Urbana Development, LLC for the adaptive reuse of the American Hotel.
- Continue to pursue development of sites along Ocean Boulevard.
- Continue development of the Art Exchange, a 10,150 square foot art production and gallery facility at the southeast corner of Long Beach Boulevard and 3rd Street.
- Provide incentives for property owners to improve facades and screening in the area.
- Negotiate with developer for development of the half-block bordered by Broadway, Elm Avenue, 3rd Street and Alamo Court.
- Solicit developers for sale and activation of the Edison Theatre.
- Provide support to graffiti abatement program.

2) Encourage open space and public art development in the Downtown in conformance with the Redevelopment Plan and the Downtown Strategy for Development

- Begin construction of The Promenade South Block.
- Implement public art on key corridors with Ocean Boulevard as a priority.
- Continue to place temporary public art exhibits in vacant storefronts.
- Place art installations throughout Downtown, including utility boxes.
- Provide support for the Arts Council for Long Beach.

3) Encourage infrastructure and public improvements in conformance with the Redevelopment Plan and Downtown Strategy for Development

- Install cameras on the Promenade Mid-block (1st Street to Broadway).
- Upgrade and expand the existing CityPlace Garage C.
- Finalize plans and begin construction of the Pine Avenue Streetscape Improvement Project.
- Provide local match for the Downtown Parking Wayfinding Grant.

4) Support the development of affordable housing in Long Beach

- Transfer 20 percent of available project area tax increment to the Housing Development Fund.

5) Encourage effective project area administration in conformance with Redevelopment Plan and Downtown Strategy for Development

- Continue partnership with Downtown Long Beach Associates (DLBA) and Downtown businesses through contributions to marketing and economic development efforts.
- Provide support for special events in the Downtown.
- Provide staff support for the Downtown Property Based Improvement District (PBID) and the Downtown Long Beach Associates (DLBA).
- Offer small design competition award to attract and spur new and creative design throughout the Downtown.

**WEST BEACH REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2009-2010
WITH ACCOMPLISHMENTS FOR FY 2009-2010**

GOAL #1

Participate in the Golden Shore Master Plan and entitlement process.

- Provide support to the Planning Bureau as necessary.

ACCOMPLISHMENT

- Assisted the Planning Bureau as requested.

GOAL #2

Continue to support development of the West Ocean commercial corridor.

- Continue to assist private sector developments in the Project Area in conformance with the Redevelopment Plan and Downtown Strategy for Development.

ACCOMPLISHMENT

- Assisted private sector initiatives in the Project Area that conform to the Redevelopment Plan and Downtown Strategy for Development.

GOAL #3

Provide additional recreation opportunities or other infrastructure improvements to benefit the Project Area.

- Assist with infrastructure improvements that benefit the Project Area.

ACCOMPLISHMENT

- Completed work on Promenade Square Park and continued to work on conceptual plans and construction drawings for the south and north blocks of the Promenade.

GOAL #4

Support the development of affordable housing in Long Beach.

- Transfer 20% of available Project Area tax increment to the Housing Development Fund.

ACCOMPLISHMENT

- Transferred 20% of available increment to the Housing Development Fund.

GOAL #5

Serve as staff support to various committees and organizations.

- Provide staff support for the Downtown Property Based Improvement District (PBID) and the Downtown Long Beach Associates (DLBA).

ACCOMPLISHMENT

- Provided support to a variety of committees and organizations, including the DLBA and the Arts Council.

**WEST BEACH REDEVELOPMENT PROJECT AREA
GOALS AND WORK PLAN FOR FY 2010-2011**

- 1) Encourage open space and public art development to benefit the project area.**
 - Assist with construction of the Promenade South Block.

- 2) Support the development of affordable housing in Long Beach.**
 - Transfer 20 percent of available project area tax increment to the Housing Development Fund.

- 3) Facilitate efficient administration of the Project Area.**
 - Provide staff support for the Downtown Property Based Improvement District (PBID) and the Downtown Long Beach Associates (DLBA).

**WEST LONG BEACH INDUSTRIAL REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2009-2010
WITH ACCOMPLISHMENTS FOR FY 2009-2010**

GOAL #1

Contribute to Neighborhood Revitalization

- Facilitate the removal of non-conforming uses.
- Create new development opportunities.
- Maintain pro-active Code Enforcement Program.
- Maintain commercial façade improvement program.
- Implement the Industrial Strategic Action Plan.

ACCOMPLISHMENTS

- Completed negotiation and disposition of nonconforming use at 1328-1340 Canal Avenue.
- Entered into an OPA for the development of 1463 Cota Avenue.
- Executed and Purchase and Sale Agreement for the acquisition of property at 2021-2025.W. Gaylord Street.
- Completed acquisition and subsequent disposition of an OPA with McFadden Family Trust dba CMAC Construction for the purpose of business expansion at 1652 W. 15th Street.
- Completed and executed an OPA with Cowelco for the development of 1328-1340 Canal Avenue for the purpose of business expansion and offsite employee parking.
- Continued negotiations and execution of the OPA with Parker Diving Services for the development of 1650 Seabright Avenue and 1881 W. 16th Street facilitating the company's Phase II expansion
- Negotiated acquisition of a nonconforming use at 2144 W. 16th Street.
- Continued negotiations of 1404-1420 Hayes Avenue and 1350 Seabright with Tankard Trust.
- Completed negotiations of acquisition of a nonconforming use at 1461-1466 Cota Avenue.
- Re-established the design process for the Westside Monument project.
- Completed seven façade improvement projects.
- Continued the Commercial Fencing & Screening Program.
- Completed construction for the Bob Lee memorial bus shelter project.

- Provided funding for the completion of Phase II & Phase III of the Proactive Code Enforcement Program.
- Provided funding for Neighborhood Services Bureau Commercial Exterior Rebates to business/property owners.
- Completed and maintained the Street & Alley Solar Lighting Project to enhance public safety and promote green technology.
- Maintained and expanded the Security Camera project along Harbor Avenue to enhance public safety.
- Continued monitoring the Request for Consideration of a Coastal Aquifer Variance and Basin Plan Amendment for the Westside to the Los Angeles Regional Water Quality Control Board for their Triennial Review.
- Funded graffiti abatement program to support the Westside
- Continued implementation of the Westside Industrial Strategic Action Plan.

GOAL #2

Contribute to Corridor Revitalization

- Facilitate removal and conversion of non-conforming property uses.
- Create new development opportunities.
- Maintain proactive Code Enforcement Program.
- Maintain Commercial Façade Improvement Program.

ACCOMPLISHMENTS

- Completed the design phase for facade improvement projects 1430 and 1450 Santa Fe.
- Maintained the Commercial Fencing & Screening Program.
- Continued the proactive Code Enforcement Program.
- Provided funding for Neighborhood Services Bureau Commercial Exterior Rebates to business/property owners.
- Maintained the Harbor Avenue Security Camera Project to enhance public safety.
- Continued implementation of the Westside Industrial Strategic Action Plan.

GOAL #3

Promote Open Space & Public Art Development

- Enhance the image and identity of the Westside as a prosperous industrial community.

ACCOMPLISHMENTS

- Completed the construction of the Bob Lee Commemorative Bus Shelter.
- Implemented the Utility Box Art Project with local artists.
- Restablished the design review process for monument artwork for the Westside.
- Partnered with Arts Council for Long Beach regarding public art installations.

GOAL #4

Contribute to infrastructure improvement

- Improve infrastructure to support existing businesses:
 - Storm drain and pump station improvement project
- Create a more pleasant environment through an attractive streetscape program:
 - Pacific Coast Highway

ACCOMPLISHMENTS

- Completed construction of Phase I of the Storm Drain and Pump Station Improvement Project.
- Completed design and permit procurement for the Pacific Coast Highway streetscape project.

GOAL #5

Support the development of affordable housing in Long Beach

- Transfer 20 percent of project area tax increment to the Housing Development Fund.

ACCOMPLISHMENTS

- Transferred 20 percent of project area tax increment to the Housing Development Fund.

GOAL #6

Facilitate the Efficient Administration of the Project Area.

- Continue to provide funding and staff support to the West Long Beach Industrial Project Area Committee.

ACCOMPLISHMENTS

- Approved West Long Beach Industrial Project Area Committee (WPAC) Administrative funding agreement for FY 2009-2010.
- Continue to provide staff support to the WPAC.
- Continue to provide staff support to the WPAC subcommittees.
- Promoted development sites throughout the Project Area.

**WEST LONG BEACH INDUSTRIAL PROJECT AREA
GOALS AND WORK PLAN FOR FY 2010-2011**

1) Neighborhood Revitalization

- Facilitate the removal of non-conforming uses.
- Create new development opportunities.
- Maintain pro-active Code Enforcement Program.
- Maintain pro-active Graffiti Abatement Program.
- Enhance safety:
 - Surveillance cameras
 - Solar lighting

2) Corridor Revitalization.

- Facilitate removal and conversion of non-conforming uses.
- Create new development opportunities.
- Maintain pro-active Code Enforcement Program.
- Maintain commercial façade improvement program.

3) Open Space / Public Art Development

- Enhance the image and identity of the Westside as a prosperous industrial community.

4) Infrastructure/Public Improvements

- Improve infrastructure to support existing businesses:
 - Storm drain and pump station improvement project
- Ensure that adequate infrastructure is in place to support future development:
 - Assessment of conditions of streets, alleys, sidewalks and ADA access
- Create a more pleasant environment through an attractive streetscape program:
 - Pacific Coast Highway
 - Santa Fe Avenue median and street enhancement

5) Housing

- Support the development of affordable housing in Long Beach:
 - Transfer 20 percent of project area tax increment to the Housing Development Fund.

6) Facilitate the Efficient Administration of the Project Area

- Continue to provide funding and staff support to the West Long Beach Industrial Project Area Committee.

**POLY HIGH REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2009-2010
WITH ACCOMPLISHMENTS FOR FY 2009-2010**

GOAL #1

Eliminate and prevent blight along the Project Area's commercial corridors.

- Acquire or provide rehabilitation assistance for commercial properties on Pacific Coast Highway.
- Explore the possibility of joint development of sites along Pacific Coast Highway with the Long Beach Unified School District.
- Continue to support the Commercial Screening Program.

ACCOMPLISHMENTS

- Completed design and installation of the Poly High Fence of Champions at Poly High School on Martin Luther King Jr. Boulevard from 15th Street to Pacific Coast Highway.

GOAL #2

Preserve the public amenities created as part of the redevelopment of the Poly High Project Area.

- Assist in the development of public infrastructure and open space development projects.

ACCOMPLISHMENTS

- Began construction of the Poly Gateway Open Space project at Martin Luther King Jr. Boulevard and Pacific Coast Highway.
- Continued to provide funding for the development of public art.
- Completed design development of the Poly Gateway marquee signs for Atlantic and Pacific Coast Highway and Atlantic and Martin Luther King Jr. Boulevard.

GOAL #3

Continue to support the development of affordable housing by transferring 20% of Project Area tax increment to the Housing Development Fund.

- Provide 20% of Project Area tax increment for the development of affordable housing.

ACCOMPLISHMENTS

- Transferred 20% of Project Area tax increment to the Housing Development Fund.

**POLY HIGH REDEVELOPMENT PROJECT AREA
GOALS AND WORK PLAN FOR FY 2010-2011**

- 1) Contribute to open space and public art development.**
 - Support the creation and installation of public art.
 - Poly Walk of Fame
 - Support the creation of streetscape/open space improvements.
 - Poly High Gateway Signage
 - Poly High Gateway

- 2) Contribute to infrastructure and public improvements.**
 - Preserve the public amenities created as part of the redevelopment of the Poly High School Project Area:
 - Continue to assist in the development of public infrastructure projects.
 - Pacific Coast Highway & Atlantic Right Turn Lane
 - Poly High Fence of Champions

- 3) Support the development of affordable housing in Long Beach.**
 - Continue to support the development of affordable housing by transferring 20 percent of project area tax increment to the Housing Development Fund.

- 4) Facilitate efficient administration of the Project Area.**

**LOS ALTOS REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2009-2010
WITH ACCOMPLISHMENTS FOR FY 2009-2010**

GOAL #1

Support the development of affordable housing in Long Beach.

- Transfer 20 percent of available project area tax increment to the Housing Development Fund.

ACCOMPLISHMENT

- Transferred 20% of available increment to the Housing Development Fund.

GOAL #2

Administer the Project Area's obligations effectively.

- Use sales tax revenue and tax increment for bond debt service, administrative expenses, public art maintenance, and repayment of the loan from the West Long Beach Industrial Project Area.
- Maintain reserve for capital replacement to preserve the public amenities created as part of the redevelopment of the Los Altos Shopping Center.

ACCOMPLISHMENT

- Used sales tax revenue and tax increment for bond debt service, administrative expenses, and repayment of the loan from the West Long Beach Industrial Project Area.
- Maintained reserve for capital replacement to preserve public amenities.

**LOS ALTOS REDEVELOPMENT PROJECT AREA
GOALS AND WORK PLAN FOR FY 2010-2011**

- 1) Support the development of affordable housing in Long Beach.**
 - Transfer 20 percent of available project area tax increment to the Housing Development Fund.

- 2) Facilitate the efficient administration of the Project Area.**
 - Use sales tax revenue and tax increment for bond debt service, administrative expenses, public art maintenance, and repayment of the loan from the West Long Beach Industrial Project Area.

 - Maintain reserve for capital replacement to preserve the public amenities created as part of the redevelopment of the Los Altos Shopping Center.

**CENTRAL LONG BEACH REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2009-2010
WITH ACCOMPLISHMENTS FOR FY 2009-2010**

GOAL #1

Contribute to Neighborhood Revitalization.

- Encourage human-scale, pedestrian-oriented developments as well as neighborhood identity initiatives:
 - East Village
 - Wrigley Village
 - Zaferia Design District
- Support the preservation and enhancement of the Willmore City Historic District with the disposition and rehabilitation of four vintage homes.
- Support the development of market-rate housing/mixed-use/commercial/industrial developments:
 - Shoreline Gateway
 - Downtown Courthouse
 - Atlantic Avenue and Willow Street
- Facilitate the development of the Willow and Atlantic Development Site.
- Support Neighborhood Code Enforcement and Graffiti Abatement.

ACCOMPLISHMENTS

- Completed a land exchange development agreement with the State of California for the development of a regional courthouse in Downtown Long Beach.
- Entered into an Exclusive Negotiating Agreement with DIDM Development Corporation for development of the southwest corner of Atlantic Avenue and Vernon Street.
- Supported the implementation strategies for the eight targeted Neighborhood Centers for concentrated redevelopment activities as identified in the Central Long Beach Strategic Guide for Development.
- Facilitated construction of a Ronald McDonald House at 27th Street and Pasadena Avenue.
- Continued efforts to further development of the Zaferia Design District.
- Facilitated owner-occupancy of four historic homes that were moved to the Willmore Historic District pursuant to the Willmore District Implementation Plan.
- Entered into an Owner Participation Agreement for the development of live/work units at 825-837 E. 7th Street.
- Supported the East Village Creative Offices adaptive reuse project at 4th Street and Linden Avenue.
- Executed a Loan Agreement with the owner of 1330 Gladys for the adaptive reuse of a warehouse into creative office space within the Zaferia Design District.

- Removed two billboards at 612 Sunrise Boulevard to further the development of a gateway entrance into the Sunrise Historic District.
- Completed design development of 612 Sunrise Boulevard to provide a gateway entrance into the Sunrise Historic District.
- Furthered the entitlement of 351 residential units and 42,000 square feet of ground floor retail in a mixed-use project at the southwest corner of Long beach Boulevard and Anaheim Street.
- Provided loan to the Garage Theatre through the East Village Artist Loan Program.
- Assisted in the entitlement of a Vons Grocery Store at Broadway and Atlantic Avenue in the East Village.
- Incorporated the recommendations identified in the Central Design Guidelines into new construction projects to encourage pedestrian-oriented development within the Project Area.
- Leveraged Project Area funds with local, state and federal funds to support projects and initiatives.
- Provided funding to support code enforcement activities within the Project Area.

GOAL #2

Contribute to Corridor Revitalization.

- Continue redevelopment efforts along commercial corridors including transit-oriented developments.
- Initiate the Commercial Façade Improvement Program along target corridors:
 - West Willow Street
 - East Anaheim Street
 - West Anaheim Street
 - Pacific Avenue
 - Pacific Coast Highway
- Facilitate the development of the Pacific Avenue and Pacific Coast Highway Node.
- Facilitate the development of Agency-owned property along commercial corridors:
 - Pine Avenue and Pacific Coast Highway
 - East Anaheim and Lime Avenue
- Continue to support the Commercial Screening Program.
- Support the implementation of St. Mary and Memorial Hospital's master plans.
- Continue to support the Fence Enhancement Pilot Program with Long Beach Unified School District.
- Support and encourage business assistance programs that focus on Central Long Beach Businesses.
- Support the implementation of the Wrigley Village Streetscape Enhancement Program.

ACCOMPLISHMENTS

- Issued a Request for Proposals for the development of the Atlantic Avenue and East Anaheim Street development site.
- Continued facilitating façade improvements through the Commercial Façade Improvement Program.
- Entered into an Exclusive Negotiating Agreement for the development of Pine Avenue and Pacific Coast Highway.
- Completed Phase I construction of the Wrigley Village Streetscape Enhancement Program on Pacific Avenue from Pacific Coast Highway to 20th Street.
- Completed installation of the Pacific Avenue Pedestrian Lights on Pacific Avenue from Pacific Coast Highway to Hill Street.
- Furthered property acquisition efforts to allow for the campus expansion of Long Beach City College.
- Provided financial assistance to the City's Neighborhood Code Enforcement Program for effective code compliance monitoring and graffiti removal services in the Project Area.
- Provided financial assistance to the City's Economic Development Programs for business retention and attraction activities.
- Continued development of a Downtown Community Plan and Environmental Impact Report that will guide development in the downtown area.
- Supported the expansion of Long Beach Memorial Medical Center and Miller Children's Hospital at Long Beach Memorial Hospital.
- Continued Wrigley Village Streetscape Improvements on Pacific Avenue between Pacific Coast Highway and Willow Street.

GOAL #3

Contribute to Open Space and Public Art Development.

- Begin construction of the Orizaba Park Expansion Project.
- Complete the development of Rosa Parks Park at 15th Street and Alamitos Avenue.
- Facilitate the development of Craftsman Park.
- Facilitate the development and expansion of McBride Park.
- Facilitate the development and expansion at P E Right of Way Bike Trail Project.
- Complete the development and expansion of Seaside Park.
- Support the creation and installation of public art.

ACCOMPLISHMENTS

- Awarded construction contract for the Orizaba Park Expansion Project.

- Began construction of Rosa Parks Park and bus plaza.
- Provided funding to support land assembly for the expansion and development of open space and recreational opportunities at Drake Park.
- Continued the development and expansion of Seaside Park.
- Commissioned and installed temporary art throughout the Project Area's vacant lots and storefronts.
- Continued the development and expansion of the PE Right of Way Bike Trail Project.
- Supported the State grant application for the construction of the Orizaba Park Community Center and Craftsman Park.
- Began construction of the McBride Park Expansion Project.
- Continued construction on improvements at the Homeland Cultural Center.
- Continue to partner with the Arts Council for Long Beach in implementing new public art.
- Partnered with Downtown Long Beach Associates to present the Summer and Music concert series.

GOAL #4

Contribute to Infrastructure and Public Improvements.

- Complete Phase II of the Magnolia Industrial Group Street Reconstruction.
- Maintain enhancements to the Martin Luther King Median Islands.
- Begin construction of the pedestrian-oriented streetscape improvements within pedestrian-oriented retail districts.
 - East Village
 - Wrigley Village

ACCOMPLISHMENTS

- Began construction of the Phase II, Magnolia Industrial Group Street Reconstruction Project on Daisy Avenue from Anaheim Street to Pacific Coast Highway.
- Completed a land exchange with the State of California to further the development of a regional courthouse in Downtown Long Beach.
- Completed construction of a right-turn lane at 7th Street and Alamitos Avenue.
- Completed Magnolia Industrial Group Street Reconstruction Project – Phase I (Oregon Street) and signal upgrade.
- Facilitated design for Phase II improvements to the Magnolia Industrial Area along Daisy Avenue between Anaheim Street and Pacific Coast Highway.
- Furthered the development of the Cherry Avenue widening project.
- Completed design for median improvements at 6th Street and Alamitos Avenue.

GOAL #5

Support the development of affordable housing in Long Beach.

- Transfer 20% of available Project Area tax increment to the Housing Development Fund.
- Continue to identify future opportunities for affordable housing within the Housing Action Plan target areas.
- Assist in site assembly to support affordable housing developments.
- Support the implementation of the goals identified in the Housing Action Plan.
- Support opportunities to incorporate affordable housing in residential or mixed-use developments.

ACCOMPLISHMENTS

- Provided 20% of the available Project Area tax increment to the Housing Development Fund for use in construction / development of affordable housing, including:
 - 2355 Long Beach Blvd (46 total units. Mixed income)
 - 1494 Henderson (4 units. All very low or low income)
 - 350 E. Esther (46 studio units. All very low or low income)
 - 1650 Magnolia (4 units. All very low or low income)
 - 1134 Stanley (46 studio units. All very low or low income)
 - 2640 Anaheim (14 studio units. All very low income)
 - 1027 & 1045 Redondo (46 studio units. All very low or low income)
 - Coronado on Atlantic Avenue between Hill and 21st Street. (Phase 1 & 2)
- Assisted in the implementation of the Housing Action Plan.
- Entered into a Memorandum of Understanding with the Long Beach Housing Development Company for the acquisition of 2175 Atlantic Avenue.

GOAL #6

Facilitate the efficient administration of the Project Area.

- Implement the Strategic Guide for Development for the Central Project Area.
- Implement the Willmore District Implementation Plan.
- Implement the Central Long Beach Design Guidelines.
- Implement the Orizaba Design District Implemental Plan.
- Continue to provide staff support to the Central Project Area Committee.
- Continue to liaison with the Arts Council of Long Beach.

ACCOMPLISHMENTS

- Provided staff support to various committees and organizations:
 - Central Project Area Committee
 - East Village Steering Committee

- Zaferia Design District Steering Committee
- Arts Council for Long Beach
- Supported implementation strategies for the eight targeted Neighborhood Centers for concentrated redevelopment activities as identified in the Central Long Beach Strategic Guide for Development.
- Continued to apply the recommendations identified in the Central Design Guidelines to all new projects in the Project Area.
- Continued to partner with the Arts Council for Long Beach in implementing new public art.
- Continued support of events and organizations throughout the Project Area.

**CENTRAL LONG BEACH REDEVELOPMENT PROJECT AREA
GOALS AND WORK PLAN FOR FY 2010-2011**

1) Contribute to neighborhood revitalization

- Support the initiatives identified in the East Village Strategic Guide for Development.
- Support the initiatives identified in the Willmore Implementation Plan, including streetscape improvements and the installation of district markers.
- Support the initiatives identified in the Long Beach Design District Implementation Plan, including streetscape, screening, and façade improvements.
- Support the development of the Willow and Atlantic Development Site.
- Facilitate the development of the Willow and Atlantic Development Site.
- Support Targeted Neighborhood Code Enforcement, Graffiti Abatement and Parking Programs throughout the project area.

2) Contribute to corridor revitalization

- Continue redevelopment efforts along commercial corridors including transit-oriented developments.
- Initiate the Commercial Façade Improvement Program along target corridors:
 - West Willow Street
 - Anaheim Street
 - Pacific Avenue
 - Pacific Coast Highway
 - 7th Street
 - 4th Street
- Facilitate the development of the Pacific Avenue and Pacific Coast Highway Commercial Node.
- Facilitate the development of Agency-owned property along commercial corridors:
 - Pine Avenue and Pacific Coast Highway
 - East Anaheim and Lime Avenue
 - Martin Luther King Jr. Avenue and Pacific Coast Highway
 - East Anaheim and Walnut Avenue
- Continue improvements to Wrigley Village, including median enhancements and the implementation of pedestrian lights.
- Assist in the implementation of the Long Beach Boulevard Master Plan by facilitating updates to PD-29.

- Continue to support the Commercial Screening Program along major corridors.
- Continue to assist Long Beach City College in the development and expansion of their central campus.
- Support and encourage business assistance programs that focus on Central Long Beach Businesses.

3) Contribute to open space/public art

- Complete construction of the Orizaba Park Expansion Project.
- Complete the development of Rosa Parks Park at 15th Street and Alamitos Avenue.
- Complete the development and construction of Sunrise Gateway.
- Complete the development and expansion of MacArthur Park and Homeland Cultural Center.
- Facilitate the development of Craftsman Park.
- Facilitate the development and expansion of McBride Park.
- Complete the P E Right of Way Bike Trail Project.
- Support the creation and installation of public art.

4) Contribute to infrastructure/public improvements

- Complete Phase II construction of the Magnolia Industrial Group Street Reconstruction Project.
- Begin/continue construction of pedestrian-oriented streetscape improvements within pedestrian-oriented retail districts:
 - East Village
 - Wrigley Village
 - Design District
 - Willmore City
- Continue to facilitate the development of a new state courthouse Downtown.

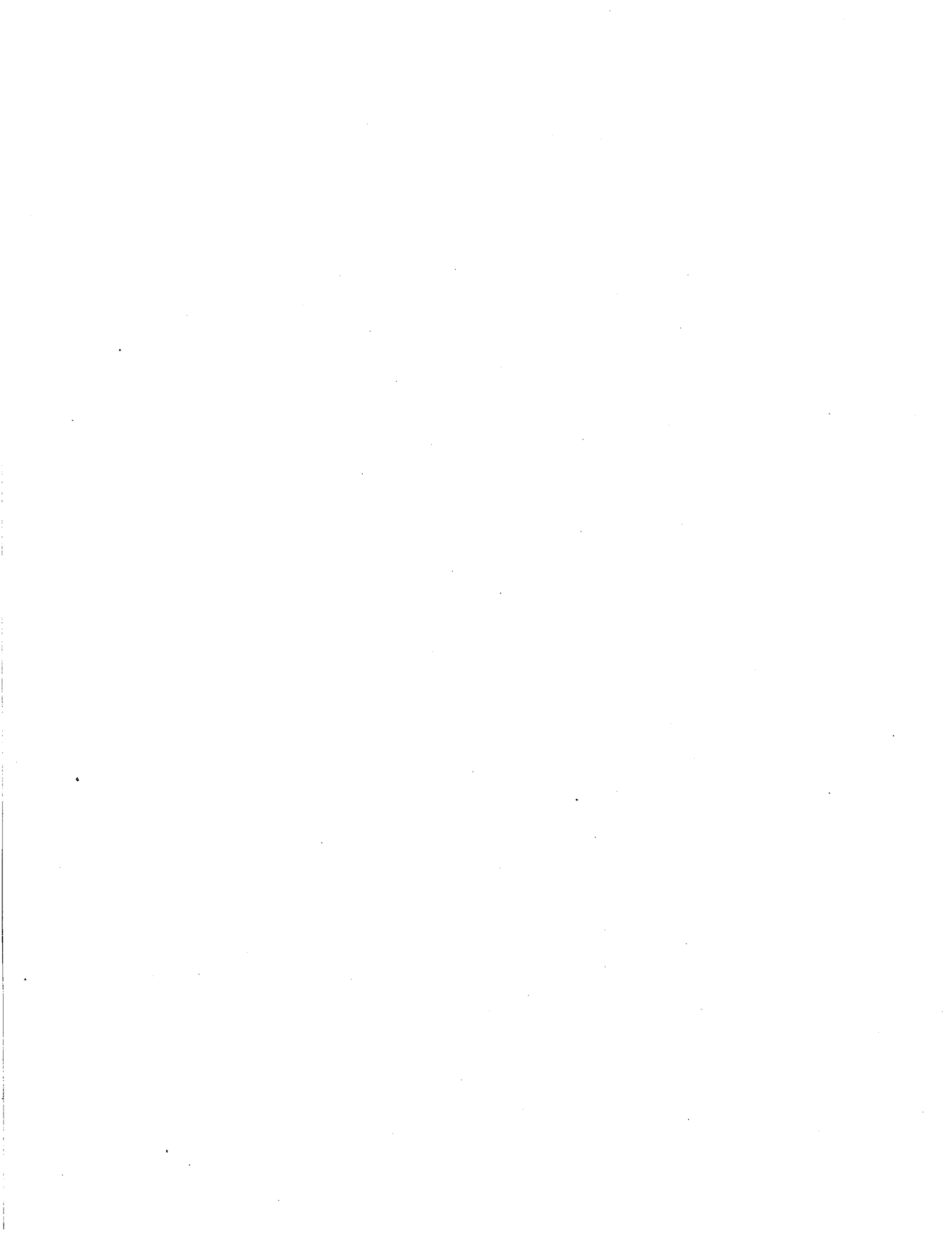
5) Support the development of affordable housing in Long Beach

- Transfer 20 percent of available project area tax increment to the Housing Development Fund.
- Support the development of a Ronald McDonald House on the Memorial Hospital campus.
- Continue to identify future opportunities for affordable housing within the Housing Action Plan target areas.
- Assist in site assembly to support affordable housing developments.
- Support the implementation of the goals identified in the Housing Action Plan.

- Support opportunities to incorporate affordable housing in residential or mixed-use developments.

6) Facilitate the efficient administration of the Project Area.

- Implement the Strategic Guide for Development for the Central Project Area.
- Implement the Willmore District Implementation Plan.
- Implement the Central Long Beach Design Guidelines.
- Implement the Long Beach Design District Implemental Plan.
- Complete and implement the Downtown Community Plan.
- Continue to provide staff support to the Central Project Area Committee.
- Continue to provide staff support to Downtown Long Beach Associates.
- Continue to liaison with the Arts Council of Long Beach.



**NORTH LONG BEACH REDEVELOPMENT PROJECT AREA
COMPARISON OF GOALS FOR FY 2009-2010
WITH ACCOMPLISHMENTS FOR FY 2009-2010**

GOAL #1

Contribute towards neighborhood revitalization.

- Continue Neighborhood Enhancement Area program:
 - Sutter School & Coolidge Triangle
 - Jane Addams & Grant School
 - Dairy Avenue & Jordan High School
 - Lindbergh School & Bret Harte
 - DeForest Park & Cal-Cherry
- Continue Multi-Family Improvement program
- Continue Pro-active Code Enforcement program
- Add home ownership opportunities
 - North Village Center
- Add senior housing near public transportation corridors
- Add independent living facilities near public transportation corridors
 - United Cerebral Palsy Housing Development

ACCOMPLISHMENTS

- Provided funding to complete the following Neighborhood Enhancement Areas: Lindbergh School, Bret Harte, DeForest Park, and McKinley School.
- Continued to provide funding to the following Neighborhood Enhancement Areas: Hamilton School, Del Amo Grisham, Sutter School, Coolidge Triangle, Jane Addams and Grant School.
- Completed revisions to Multi-Family Improvement program guidelines and provided funding to commence improvement projects for eligible property in the project area.
- Continued a proactive Code Enforcement program on all the major commercial corridors in North Long Beach.
- Re-executed an Exclusive Negotiating Agreement (ENA) with Golden Pacific Partners for the development of housing at 5060-5090 Long Beach Boulevard.
- Executed an Exclusive Negotiating Agreement with United Cerebral Palsy for the development of independent living housing facilities at 4800 Long Beach Blvd.
- Commenced construction of a one-way street couplet on Ellis and 56th in the Dairy Neighborhood.
- Funded graffiti abatement program.

GOAL #2

Contribute towards corridor revitalization

- Revitalize existing commercial/retail sites:
 - Bixby Knolls – General
 - Bixby Knolls Shopping Center
 - North Village Center
 - Virginia Village
- Develop new commercial/retail sites:
 - North Village Center
 - Cedar Station (Waite Motel Site)
 - NEC Atlantic Avenue and Artesia Boulevard
 - Atlantic & 61st Street Development
- Continue Commercial Façade Program.
- Add public parking:
 - North Village Center – Atlantic & Linden, 5648 Atlantic
 - Virginia Village – 5100 Long Beach Blvd.
- Continue Commercial Fencing Program
- Add median and/or streetscape improvements
- Add public facilities – North Village Public Library
- Create new home ownership opportunities with a focus on public transportation:
 - Cedar Station (Waite Motel Site)

ACCOMPLISHMENTS

- Completed new landscape and irrigation construction of street medians on Long Beach Blvd between Bort and Victoria.
- Commenced complete street reconstruction of Long Beach Blvd between Del Amo and 56th including sidewalks, curbs, gutters, medians and asphalt replacement.
- Completed construction of new parking lot and landscaping at 5648 Atlantic Avenue.
- Continued to negotiate façade renovation contracts with Virginia Village businesses.
- Completed façade improvement at:
 - 4945 Long Beach Blvd – Pancho Carniceria
 - 4947 Long Beach Blvd – Protek Auto
- Completed fencing improvement at:
 - 4800 Long Beach Blvd
- Entered into ground lease agreement at 609-669 for community based institution parking facilities
- Entered into storefront lease agreement at 5649 Atlantic Avenue for medical use facility.
- Entered into storefront lease agreement at 5372 Long Beach for arts nonprofit facility.

- Supported the preservation of 620-638 E. South Street.
- Entered into a contract with and provided funding to the Bixby Knolls Business Improvement Association for economic development and marketing services.
- Continued lease with and provided funding to the Bixby Knolls Business Improvement Association for the use of 4321 Atlantic Avenue for public community events programming.
- Entered into an Exclusive Negotiation Agreement with Golden Pacific Partners for development of a transit oriented mixed use development at 5060 Long Beach Blvd.
- Entered into an Exclusive Negotiation Agreement with Wilmac for development of a commercial center at 6101 Atlantic Avenue.

GOAL #3

Contribute towards open space/public art development

- Continue development of additional open/park space:
 - Houghton Park facility improvements
 - Admiral Kidd Expansion
 - Davenport Expansion
 - Oregon Park
- Continue development of public art
 - Public Murals
 - Public Sculpture (Corridor median and industrial property)
 - Mobile Art Exhibitions (Storefront Art)

ACCOMPLISHMENTS

- Completed construction of the Admiral Kidd Park Expansion.
- Completed a comprehensive needs assessment for the Houghton Park Community Center.
- Certified a CEQA Negative Declaration and obtained Planning Commission review for a General Plan Amendment for park construction. Obtained Parks Commission site plan review for the development of the future Oregon/Del Amo Park.
- Continued CEQA and landfill closure plan for the expansion of Pops Davenport Park.
- Supported neighborhood efforts to create beauty and pride through funding Neighborhood Partners Program grants and funding neighborhood murals, including the North Village Center mural.
- Continued to support NPAC by providing utility box art.
- Continued to support the NPAC with the installation of street pole banners.
- Continued to fund and work with Arts Council for Long Beach.
- Executed contract with Art Council for Long Beach for public art management services.

- Funded public artwork on designated traffic signal controller cabinets.

GOAL #4

Contribute towards infrastructure/public improvements

- Continue streetscape improvements
 - Reconstructing Major Streets
 - Collector Streets
 - Local Streets
 - Curbs & Gutters
 - Sidewalks
- Continue median improvements
- Fire Station 12
- North Village Public Library
- Add median and/or streetscape improvements:
 - Atlantic Avenue and Southern Gateway
 - Artesia Boulevard
 - Long Beach Boulevard

ACCOMPLISHMENTS

- Completed selection of the new North Public Library architects.
- Commenced construction of Fire Station #12
- Commenced construction of Atlantic Avenue street work from Bixby Road to San Antonio Drive and from 52nd Street to South Street.
- Commenced construction of one-way street couplet in Dairy Neighborhood.
- Completed construction of new medians on Long Beach Boulevard from Bort Street to Victoria Street.
- Completed construction of new medians, tree grates and crosswalk pavers on Atlantic Avenue from Bixby Road to San Antonia Drive.
- Completed designs for Atlantic Avenue median improvement project from Aloha Street to 59th Street.
- Completed designs for Artesia Boulevard median improvement project from Atlantic Avenue to Obispo Street.
- Continued a cooperation agreement with the Board of Harbor Commissioners to provide funding for the construction of public improvements.

GOAL #5

Facilitate efficient administration of the Project Area

- Implement North Long Beach Strategic Guide for Redevelopment

- Implement North Long Beach Street Enhancement Plan
- Facilitate business attraction/retention in North Long Beach
- Implement North Long Beach Design Guidelines
- Identify sites for redevelopment consistent with the Strategic Guide
- Provide support to the North Project Area Committee
- Create job opportunities for residents of North Long Beach (Business Start-up/Loan Services)

ACCOMPLISHMENTS

- Continued to work with Planning and Building Bureaus towards revising the General Plan and Zoning Ordinance for consistency with the North Long Beach Strategic Guide for Redevelopment.
- Commenced construction of streetscape improvements for Virginia Village.
- Continued to support Economic Development Bureau's business incentive programs.
- Continued implementation of the North Long Beach Design Guidelines.
- Continued implementation of the Bixby Knolls Design Guidelines.
- Continue to provide staff support to the NPAC.
- Continue to provide staff support to the NPAC subcommittees.

**NORTH LONG BEACH REDEVELOPMENT PROJECT AREA
GOALS AND WORK PLAN FOR FY 2010-2011**

1) Contribute towards neighborhood revitalization

- Continue Neighborhood Enhancement Area program:
 - Sutter School & Coolidge Triangle
 - Jane Addams & Grant School
 - Dairy Avenue & Jordan High School
 - Lindbergh School & Bret Harte
 - DeForest Park & Cal-Cherry
- Continue Multi-Family Improvement program
- Continue proactive Code Enforcement program:
 - Sutter School & Coolidge Triangle
 - Artesia Boulevard
 - Atlantic Avenue
 - Long Beach Boulevard
 - Paramount Boulevard
 - South Street

2) Contribute towards corridor revitalization

- Revitalize existing commercial/retail sites:
 - Bixby Knolls – General
 - Bixby Knolls Shopping Center
 - North Village Center
 - Virginia Village
- Develop new commercial/retail sites:
 - North Village Center – West Block
 - North Village Center – East Block
 - North Village Center – Atlantic & 61st
 - NEC Atlantic Avenue and Artesia Boulevard
 - 5100 Long Beach Blvd.
- Continue Commercial Façade Program:
 - 5414 Long Beach Blvd.
 - 5420 Long Beach Blvd.
 - 5422 Long Beach Blvd.
 - 5438 Long Beach Blvd.
- Create new home ownership opportunities with a focus on public transportation:
 - Waite Motel Site (5100 Long Beach Boulevard)
 - Motel Block Site (4800 Long Beach Boulevard)

3) Contribute towards open space/public art development

- Continue development of additional open/park space:

- Houghton Park facility improvements
- Davenport Expansion
- Oregon Park
- Continue development of public art
 - Utility boxes
 - Artesia Corridor art
 - Mobile exhibits

4) Contribute towards infrastructure/public improvements

- Complete planned streetscape improvements:
 - Long Beach Boulevard
- Complete planned median improvements:
 - Del Amo Boulevard
 - Atlantic Avenue
 - Artesia Boulevard
- Construct Fire Station 12
- Complete design for North Village Library

5) Facilitate efficient administration of the Project Area

- Implement North Long Beach Strategic Guide for Redevelopment
- Implement North Long Beach Street Enhancement Plan
- Facilitate business attraction/retention in North Long Beach
- Implement North Long Beach Design Guidelines
- Identify sites for redevelopment consistent with the Strategic Guide
- Provide support to the North Project Area Committee