

MEMORANDUM

DATE: May 17, 2023

TO: Board of Directors
The Long Beach Community Investment Company

FROM: Christopher Koontz, President *CK*

SUBJECT: Proposed Long Beach Community Investment Company Budget for Fiscal Year 2023-2024. (Citywide)

RECOMMENDATION:

Adopt the Long Beach Community Investment Company proposed Fiscal Year 2023-2024 (FY24) budget.

DISCUSSION

Attached for review and approval is the proposed FY24 Long Beach Community Investment Company (LBCIC) Housing Fund (Fund 2550) Expenditure Budget for the period of October 1, 2023 through September 30, 2024 (Attachment A). The total expenditure budget amount in this fund is \$10,675,142 and includes appropriations for projects, programs, and operating costs related to maintenance and operation of LBCIC-owned properties. Administrative expenses are also included in this fund. The difference between the FY 23 LBCIC expenditure budget is mostly attributed to budgeted CalHOME expenditures in the amount of \$5,540,000 not being budgeted as FY 24 expenses and an increase of \$2,000,000 for estimated Notices of Funding Availability (NOFAs) during the next fiscal year. The LBCIC is expected to adopt the LBCIC 2550 Fund budget (Attachment A) at its May 17, 2023 meeting.

The LBCIC Expenditure Budget is a portion and is included in the larger FY24 Comprehensive Housing Fund budget (Attachment B). This Fund will be included in the City's FY24 budget for the City Council's review later this year. The FY 24 budget does not include prior years' resources that have already been budgeted and appropriated.

This budget is developed using the beginning fund balance as of October 1, 2022, estimating actual FY 23 expenses, the impact of these expenses on the beginning fund balance and proposing potential revenues and expenses for the next year (FY 24). New estimated revenues for FY24 are detailed and do not include any unconfirmed revenue sources, such as pending grant applications. Revenue sources include fees, loan repayments, rental income from LBCIC-owned properties, land sale proceeds, and grant funding from the Permanent Local Housing Allocation (PLHA). For FY24, the total revenue is \$6,838,675, which is 51.5 percent less than the prior FY23 revenue amount of \$14,113,413. The difference is attributed to \$12,415,913 in combined PHLA and CalHOME funding for FY23 compared to only \$5,006,175 in PHLA funding estimated for FY 24. The Comprehensive Housing Fund budget also includes the LBCIC expenditures

previously covered in Attachment A, as well as other City expenditures for a total budget amount of \$12,735,212. Total expenditures are also fewer in FY24 than in FY23. Again, the difference is due to budgeted CalHOME expenditures in the amount of \$5,540,000 not being budgeted as FY24 expenses.

Please note that the Consolidated Plan will establish the Community Development Grants Fund, which is administered through the annual Action Plan budget and includes the CDBG and HOME related programs that are approved by the LBCIC separately.

SUGGESTED ACTION:

Approve Recommendation.

2023_05_17 - FY 23 Housing Fund Budget - FINAL.docx

Attachments: A – FY 24 Proposed Long Beach Community Investment Company Budget
B – FY 24 Comprehensive Housing Funds Budget