



Legislation Details (With Text)

File #: 05-3405 **Version:** 1 **Name:** CD - Tax Increment Funding RDA \$1.3 million`

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Title: Recommendation to adopt resolution finding that the tax increment funding allocated to the North Long Beach Redevelopment Project Area transfer to the Central Long Beach Redevelopment Project Area, for the purpose of increasing, improving and preserving the supply of low- and moderate-income housing, will be of benefit to the North Redevelopment Project Area; and increase the Fiscal Year 2005-2006 budget appropriation in the Central Long Beach Redevelopment Project Area fund (RD 228) by \$1.3 million. (Citywide)

Sponsors: Community Development

Indexes: Taxes

Code sections:

Attachments: 1. R-29 sr.pdf, 2. R-29 att.pdf, 3. RES-05-0134

Date	Ver.	Action By	Action	Result
11/15/2005	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution finding that the tax increment funding allocated to the North Long Beach Redevelopment Project Area transfer to the Central Long Beach Redevelopment Project Area, for the purpose of increasing, improving and preserving the supply of low- and moderate-income housing, will be of benefit to the North Redevelopment Project Area; and increase the Fiscal Year 2005-2006 budget appropriation in the Central Long Beach Redevelopment Project Area fund (RD 228) by \$1.3 million. (Citywide)

At the request of the City Council, the Redevelopment Agency (Agency) held a study session on October 17, 2005 to discuss a recommendation identified in the Clarion Study that tax increment funding generated by the Port of Long Beach (Port) be allocated to activities benefiting the entire City. The intent was that \$1.3 million in Port-generated funding, received by the North Long Beach Project Area, be used to pay housing set-aside for the Central Long Beach Project Area. By covering the Central Long Beach Project Area's housing obligation, Central would be able to make a loan repayment to the City's General Fund. The additional General Fund revenue could be used to address citywide concerns.

The Redevelopment Agency approved this action at its meeting on October 24, 2005. In addition, the Agency amended its Fiscal Year 2006 budget to reflect the transfer of funds and subsequent payment to the City. The Agency adopted this repayment mechanism for the following reasons:

1. The North Long Beach Project Area does not have any existing debt to the City to allow for a direct repayment;
2. The Central Long Beach Project Area has existing City debt and can make a repayment. It is also a newer project area that can incur debt until 2021. It is anticipated that additional debt can be created within the Central area to maximize receipt of tax increment beyond the project area's

termination; and

3. It accomplishes the Clarion recommendation to utilize Port tax increment on citywide activities without impacting budgeted programs and activities in the Central Long Beach Project Area.

The Redevelopment Agency and City Council must make a finding that the payment of additional housing set-aside is of benefit to the project area making the additional payment.

The Redevelopment Agency passed a resolution making such a finding on October 24, 2005. It is recommended that the City Council adopt the attached resolution making the same finding.

Additionally, the Redevelopment Agency recommended the City Council utilize the funds in a manner that enhances the livability of all our community, increases the safety and security of all our residents and businesses, and improves the public infrastructure of all our neighborhoods.

This letter was reviewed by Assistant City Attorney Heather Mahood on October 26, 2005 and by Budget Management Officer David Wodynski on November 3, 2005.

City Council consideration of this item is requested on November 15, 2005, to expeditiously assist the City of Long Beach with its current Fiscal Year 2006 General Fund Budget.

Included in the recommended action is an appropriation increase in the Central Long Beach Redevelopment Project Area fund (RD 228) of \$1.3 million in Fiscal Year 2006 budgeted appropriations. There will be no elimination of budgeted projects or programs in either the North or Central Long Beach Redevelopment Project Areas. This action increases General Fund revenue by \$1.3 million. An appropriation increase in the General Fund to expend newly received resources will be brought to the City Council for approval under separate cover.

Approve recommendation.

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

PATRICK H. WEST
DIRECTOR OF COMMUNITY DEVELOPMENT