



Legislation Text

File #: 07-0783, **Version:** 1

Recommendation to authorize City Manager to execute a loan agreement between the City of Long Beach and the Redevelopment Agency in an amount not to exceed \$22,000,000 for eligible open space projects within the Central Long Beach Redevelopment Project Area; and increase appropriations in the Department of Community Development (CD) and the RDA-Central Long Beach Fund (RD 228) by \$22,000,000 (Districts 1,4,6); and

Authorize City Manager to execute loan agreements between the City of Long Beach and the Redevelopment Agency in an amount not to exceed \$8,000,000 for eligible open space projects within the North Long Beach Redevelopment Project Area; and increase appropriations in the Department of Community Development (CD) and the RDA-North Long Beach Fund (RD 230) by \$8,000,000. (Districts 7,9)

On September 18, 2006, the Long Beach City Council authorized the issuance and sale of the 2006 Open Space Lease Revenue Bonds (Open Space Bond) to fund the expansion of parks and open space in underserved communities in an amount not to exceed \$25,000,000. The open space bonds have been issued and the proceeds are targeted for projects located in the North and Central Long Beach Redevelopment Project Areas (Exhibit A).

The Redevelopment Agency (Agency) has been actively involved in funding the creation of parks and open space as one of its strategic goals for neighborhood revitalization. Agency and Parks, Recreation and Marine Department staffs work cooperatively in the acquisition and development of targeted projects. An opportunity exists to leverage redevelopment funds with monies from the open space bonds, and it is recommended that the City Council loan the Open Space Bond proceeds to the Agency.

Agency receipt of these funds will have a twofold benefit. First, the Agency will be able to maximize the use of these funds to implement its redevelopment program and objectives.

Second, the loans will create additional debt for the two project areas. This is important because a project area may only receive tax increment up to the amount of debt it has documented on its Statement of Indebtedness. In order to take advantage of other potential park and open space funding such as State Park Bonds, the loan agreements have capacity greater than the amount of the Open Space Bond proceeds.

This letter was reviewed by Assistant City Attorney Heather A. Mahood on June 5, 2007, and Budget and Performance Management Bureau Manager David Wodynski on June 8, 2007.

City Council action is requested on July 10, 2007, in order to initiate the transactions.

Execution of the loan agreements will have no immediate fiscal impact on the General Fund. The debt service is currently paid by a Community Development Block Grant (CDBG), park impact fees

and redevelopment funds. The Agency will spend the bond proceeds on the acquisition and development of new parks and open space in the same manner the City would. At a future date, the Agency will repay the loans, creating additional revenues for the General Fund.

Approve recommendation.

PATRICK H. WEST
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:

GERALD R. MILLER
CITY MANAGER