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Long Beach Redevelopment Agency recommends postponing projects due to \$30 million loss

Posted Aug. 24, 2009

The Long Beach Redevelopment Agency Board will vote on Monday to amend its fiscal year 2010 budget to address a loss of \$30 million in revenues as a result of the State of California's raid on local government budgets. In order to address the potential loss of more than half of its discretionary budget, the Board will consider deferring a payment of nearly \$20 million in affordable housing funds to the Long Beach Housing Development Company (LBHDC). The funds will have to be repaid to the LBHDC over five years, beginning in FY 2011.

Additionally, the Agency listed several projects and programs that will either be postponed or delayed due to the loss of funds, including a significant reduction in funding for renovations to the American Hotel in Downtown Long Beach; the delay of a new parking lot in Bixby Knolls; the elimination of funding for new traffic signals in West Long Beach, and the postponement of several acquisitions targeting blight in Redevelopment Project Areas.

"These budget revisions were necessary in order to allow the RDA to make a \$30 million wire transfer to the State of California by March of 2010. The \$20 million deferred payment to the LBHDC will allow us to continue activities underway in our project areas," said Craig Beck, Executive Director of the Redevelopment Agency. "I applaud the LBHDC for their support and partnership during this unprecedented hit to our budget, and remain confident that the RDA will be able to continue its work eliminating blight and improving the quality of life for Long Beach residents."

At a special meeting held August 5, 2009, the LBHDC Board voted to support the RDA's deferral of the \$20 million payment. "The LBHDC supports the use of \$20 million in Housing Set-Aside funds to cover a portion of the \$30 million state take-away of Long Beach Redevelopment Agency funding," said Dennis Thys, President of the LBHDC Board. "The RDA will repay the full amount to the LBHDC over the next five years, so this temporary delay in housing set-aside allocation will not adversely impact the Company's mission to provide affordable housing to Long Beach residents."

Other items on the RDA's agenda include recommendations to authorize the Executive Director to execute a Cooperation Agreement with the Board of Harbor Commissioners for the construction of public improvements in the North and West Long Beach Industrial Redevelopment Project Areas.

The RDA's Board meeting is at 9:00 am on Monday, August 24, in City Hall Council Chambers. To view the full meeting agenda and staff reports, visit <http://longbeach.legistar.com/Calendar.aspx>.