



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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August 10, 2012

Honorable John Chiang
Controller, State of California
P.O. Box 942850
Sacramento, CA 94250-5872

Dear Mr. Chiang:

**REPORT ON AGREED-UPON PROCEDURES AUDIT PURSUANT TO ABX1 26
OF THE FORMER REDEVELOPMENT AGENCY OF
THE CITY OF LONG BEACH**

California Health and Safety Code (HSC) Section 34182 requires each county Auditor-Controller (A-C) to conduct, or cause to be conducted, an agreed-upon procedures (AUP) audit of each former redevelopment agency (RDA or Agency) in their respective county by July 1, 2012. On June 27, 2012, State Assembly Bill 1484 (AB 1484) extended the July 1 deadline to October 1, 2012. The audits are to establish each RDA's assets and liabilities; to document and determine each agency's pass-through payment obligations to other taxing entities; and to determine and document the amount and terms of any indebtedness incurred by the former RDA.

We have completed the AUP engagement of the former RDA of the City of Long Beach, the results of which are attached. The procedures performed were agreed upon by the California State Controller's Office, California Department of Finance (Finance), and Los Angeles County (LAC) A-C. The initial Recognized Obligation Payment Schedule (ROPS) was prepared by, and is the responsibility of, the RDA's Successor Agency's management. Our responsibility was to apply the AUP.

Some of the AUP required legal determinations of whether the obligations were properly authorized, complied with applicable laws and regulations, and were binding on the Agency. We have utilized the Office of the County Counsel to provide the legal determinations required by the AUP. The results of County Counsel's legal analysis are presented in Attachment E.

Except for those obligations listed as "questionable" or "unenforceable", the obligations we reviewed are, to the best of our knowledge, allowable pursuant to the HSC prior to the passage of AB 1484. Questionable and unenforceable obligations identified during


this engagement are summarized in Exhibit 1. Supporting documentation related to terms and amounts for each obligation reviewed during this engagement are available for review upon request.

The AUP were completed by Macias, Gini & O'Connell, LLP, an independent Certified Public Accounting (CPA) firm, and LAC A-C staff. The attached documents constitute our report on the AUP and include a summary of the review of a sample of obligations from the Agency's ROPS (Exhibit 1); the AUP and the results of procedures performed by the independent CPA firm (Attachment A); and the results of procedures performed by LAC A-C staff (Attachment B). In addition, we have attached an analysis prepared by our County Counsel (Attachment C) for those ROPS items that required additional review; and a copy of the Finance ROPS review and final approval letter (Attachment D).

This report is intended solely for the information and use of the LAC A-C, the Successor Agency, the Successor Agency Oversight Board, and applicable State agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

If you have any questions regarding these reports, please contact the RDA Audit Manager at RDAaudits@auditor.lacounty.gov.

Very truly yours,


Wendy L. Watanabe
Auditor-Controller

WLW:JET:JLS:SJL

Attachments

- c: Ana J. Matosantos, Director, California Department of Finance
Successor Agency Oversight Board
Dale L. Hutchins, Redevelopment Administrator, Successor Agency of the Former
RDA for the City of Long Beach

Review of a Sample of Obligations from the Recognized Obligation Payment Schedule for the Successor Agency of the City of Long Beach RDA

State Department of Finance – Approval Letter

The original Recognized Obligation Payment Schedule (ROPS) submitted by the Successor Agency of the City of Long Beach RDA totaled **\$668,392,092.00**. The final ROPS approved by the State Department of Finance (Finance) totaled **\$666,083,265.00**. Finance determined that the items below were not enforceable obligations:

Jan-June 2012

Project Name/ Debt Obligation	Description	Total Outstanding Debt or Obligation
Excessive Administrative Costs for the six-month period	Various expenses - office supplies, legal services, memberships, etc.	\$3,669,394

Total \$3,669,394

July-Dec 2012

Project Name/ Debt Obligation	Description	Total Outstanding Debt or Obligation
Excessive Administrative Costs for the six-month period	Various expenses - office supplies, legal services, memberships, etc.	\$2,308,827

Total \$2,308,827

Questionable Obligations

The agreed-upon procedures performed by the independent CPA firm and the Auditor-Controller (A-C) determined that the following sample items for period January to June 2012 were questionable obligations:

Project Name/Debt Obligation	Description	Total Outstanding Debt or Obligation
Admin - City of Long Beach Billing& Collections	Business License Fees	\$6,000
Admin - Hahn & Hahn	Legal Services - ongoing eminent domain	480,000
Admin - Kane, Ballmer, & Berkman	Legal Services Agreement	60,000

Sub total \$546,000

Questionable Obligations (cont'd)

Project Name/Debt Obligation	Description	Total Outstanding Debt or Obligation
Admin-Keyser Marston Associates	Financial Consulting Services	100,000
Admin-Leibold McClendon & Mann	Legal Services	50,000
Property Maintenance	Equity North Investments	275,000
Property Maintenance	Overland, Pacific & Cutler	300,000
Admin- Ruffin & Tucker	Legal Services	10,000
Homeland Tenant Improvements	Fernald - Architect/Design /Construction Admin	35,000
Cherry Avenue Widening	Hahn & Hahn -Legal Services Agreement	58,500
Habitat Homes - Pine/14th	Habitat for Humanity of Greater Los Angeles - Rehab/New Construction Single-Family homes	537,200
Olive Court	Homebuyers - 2nd Mortgage Assistance Loans-Low-Mod BEGIN funds	1,625,626
Palace Hotel	LINC Housing - Affordable Housing Rehab Project	2,135,408
Pine Avenue Residential Rehab	Jamboree Housing Corporation - Rehab family affordable rental housing. 14 units. 100% affordable.	3,182,800
Pine Avenue Residential Rehab	Comprehensive Housing Services - Labor compliance monitoring	50,625
Senior Art Colony and Annex - Phase I	Comprehensive Housing Services - Labor compliance monitoring	70,000
Senior Art Colony and Annex - Phase I	Long Beach Senior Artists Colony - LP Long Beach Regal	9,094,944
3361 Andy Street	LBHDC - 4-unit affordable housing rehab	462,180
Artesia Blvd Median Improvement	Public Works - Plan Check, bidding, construction/project management	200,000

Sub total \$18,255,360

Questionable Obligations (cont'd)

Project Name/Debt Obligation	Description	Total Outstanding Debt or Obligation
Atlantic Ave. Median Improvement	Public Works - Plan Check, bidding, construction/project management	250,000
Expo Building (4321 Atlantic)	City of Long Beach - Fire/Life Safety Renovations and Code Compliance	200,000
Fire Station 12	Kleinfelder - Inspection services	60,035
Fire Station 12	Gonzales Construction/Attorneys	2,000,000
Orchard Supply Lease Agreement	Sales Tax Rebate	140,842
Oregon Park Development	LA County - Easement Agreement/Plan Check	50,000
Oregon Park Development	Public Works - Plan Check, bidding, construction/project management	350,000
Oregon Park Development	So Cal Edison - Reroute Utility/Plan Check	100,000
Westside Storm Drain	Willdan Associates - Inspection services	121,000
Westside Storm Drain	Kleinfelder - Materials Observation / Testing	50,000
Westside Storm Drain	Public Works - Engineering / Construction Mgmt. Services	30,000

Total \$22,153,237

In addition, the independent CPA firm identified \$10,043,199 in questionable obligations subsequently removed from the ROPS.

Unenforceable Obligations

The legal analysis performed by our County Counsel identified \$96,851,896 in unenforceable obligations that were subsequently removed from the final approved ROPS.

June 2012 Disbursement to Successor Agency

The total obligations approved for the six-month period from July 1 to December 31, 2012 by Finance is **\$33,446,016.00**. Based on the available RDA funds, less pass-through payments paid directly by the A-C and administrative fees, the A-C remitted **\$33,446,016.00** for the six-month period from July 1 to December 31, 2012 to the successor agency, City of Long Beach on June 1, 2012.

**COUNTY OF LOS ANGELES,
CALIFORNIA**

**Independent Accountant's Report on
Applying Agreed-Upon Procedures on the
Former Redevelopment Agency of the
City of Long Beach, California**

**Pursuant to AB x1 26
Redevelopment Agency Dissolution**



Certified Public Accountants.

CITY OF LONG BEACH REDEVELOPMENT AGENCY

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Certified Public Accountants.

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**Independent Accountant's Report on
Applying Agreed-Upon Procedures**

County Auditor – Controller
County of Los Angeles
Los Angeles, California

We have performed the agreed-upon procedures enumerated in Attachment A, which were agreed to by the County of Los Angeles (County) Auditor-Controller (A-C), solely to assist you in evaluating that the dissolved Redevelopment Agency (RDA) of the City of Long Beach, California is complying with its statutory requirements with respect to Assembly Bill (AB) x1 26, prior to the passing of AB 1484. Management of the successor agency of the City of Long Beach is responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code section 34182(a)(1). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the party specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The scope of the engagement was limited to performing the agreed-upon procedures as set forth in Attachment A. Attachment A also identifies the findings noted as a result of the procedures performed.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the obligations selected by the A-C on the Enforceable Obligation Payment Schedules or the Recognized Obligation Payment Schedule or as to the appropriateness of the other financial information summarized in Attachment A. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the County of Los Angeles A-C and is not intended to be and should not be used by anyone other than this specified party.

Macias Tini & O'Connell LLP

Los Angeles, California
July 23, 2012

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CITY OF LONG BEACH REDEVELOPMENT AGENCY
Attachment A – Agreed-Upon Procedures and Findings

A. Redevelopment Agency Dissolution and Restrictions

For each former redevelopment agency, perform the following:

1. Based on the Enforceable Obligation Payment Schedule (EOPS) for the period August 1 through December 31, 2011 provided by the A-C:
 - a. For the obligations selected by the A-C in Schedule I, identify the payee, a description of the nature of the work/service agreed to, and the amount of payments made by month through December 31, 2011, and compare it to the legal document(s) that forms the basis for the obligation (e.g. contract, bond indenture, etc.). Alternatively, if the amount of payments was not listed in the legal document, compare it to the general ledger. Note any discrepancies. Any obligations for which the successor agency cannot produce a supporting legal document, or for which the supporting legal document does not support the obligation, should be noted as “questionable” in the Agreed-Upon Procedures (AUP) report.

Findings: We noted the following findings:

- One obligation was entered into between the former redevelopment agency (RDA) and the City of Long Beach (City);
- Two obligations were entered into between the vendor and the City. We noted that, prior to the dissolution of the former RDA, affordable housing related agreements were generally entered into between the City of Long Beach Housing Development Company (LBHDC) and the vendor, or the City and the vendor. The City created the nonprofit LBHDC to implement the affordable housing goals and requirements of the City, as required by California Redevelopment Law, and to expend the low and moderate housing funds for the purposes of preserving and increasing the supply of housing affordable to low and moderate income families.
- Nine obligations were terminated subsequent to the preparation of the EOPS and are no longer obligations of the successor agency;
- We were unable to recalculate the obligation due to the complexity of the calculation for one obligation; however, the obligation was supported by a legal document;
- One obligation will be paid from the successor agency’s administrative allowance; as such, no legal document was provided;
- The payee noted on the EOPS is incorrect for one obligation;
- The amounts paid will be reimbursed to the successor agency for one obligation; as such the net impact to the successor agency will be \$0;
- The outstanding amounts for eight obligations were estimates made by the former RDA; as such, we were unable to trace the amount to a legal document;
- There was a variance between the outstanding obligation amount per the EOPS and the legal document(s) and/ or our recalculation for nineteen obligations.

Refer to Table I for a detailed summary of findings.

We also noted variances between the amount of payments per the EOPS and the legal document(s) and/or the payment listing for thirty-five obligations. These variances were due to the fact that the payments per the EOPS were estimated amounts.

CITY OF LONG BEACH REDEVELOPMENT AGENCY
Attachment A – Agreed-Upon Procedures and Findings

- b. Identify the obligations selected by the A-C on the EOPS in Schedule I that were entered into after June 29, 2011 by examining the legal document.

Findings: We noted that two obligations were entered into subsequent to June 29, 2011 per the legal documents examined. However, these obligations were for services for ongoing projects.

Refer to Table II for a detailed summary of findings.

- 2. Based on the EOPS for the period January 1 through June 30, 2012 provided by the A-C in Schedule II:

- a. Identify and document the project name and project area associated with each obligation by examining the legal document.

Findings: The successor agency did not complete the EOPS for the period January through June 2012. As such, no further work was proposed by the A-C. Refer to Schedule II.

- b. For each obligation selected by the A-C in Schedule II, identify the payee, a description of the nature of work/service agreed to, and the amount of payments to be made by month through June 30, 2012, and compare it to the legal document that forms the basis for the obligation (e.g. contract, bond indenture, etc.). Alternatively, if the amount of payments was not listed in the legal document, compare it to the general ledger. Note any discrepancies. Any obligations for which the successor agency cannot produce a supporting legal document, or for which the supporting legal document does not support the obligation, should be noted as "questionable" in the AUP report.

Findings: The successor agency did not complete the EOPS for the period January through June 2012. As such, no further work was proposed by the A-C. Refer to Schedule II.

- c. Identify the obligations selected by the A-C on the EOPS in Schedule II that were entered into after June 29, 2011 by examining the legal document.

Findings: The successor agency did not complete the EOPS for the period January through June 2012. As such, no further work was proposed by the A-C. Refer to Schedule II.

- 3. With regard to the Low and Moderate Income Housing Fund (L&M Fund) of the former redevelopment agency:

- a. Inquire and specifically state in the report the manner in which the former redevelopment agency did or did not execute a transfer of the L&M Fund to the successor agency.

Findings: We inquired of the City Controller and Accounting Officer, and determined that prior to the dissolution of the former RDA, the L&M fund was presented separately in the RDA financial statements as per State mandates. It has been treated as a separate entity and accounted for in a different fund the Housing Fund (SR 135), within the City's financial management system (FAMIS) from its inception. The RDA funds (RD funds), as maintained in FAMIS were closed, and the balances were transferred to the new successor agency (SA funds). The City assumed the role of the housing successor agency. As the L&M funds were

CITY OF LONG BEACH REDEVELOPMENT AGENCY
Attachment A – Agreed-Upon Procedures and Findings

already accounted for within the City's Housing Fund, a transfer to the housing successor agency (i.e. the City) was not considered necessary.

Financial data of the former RDA for the period October 1, 2011 through January 31, 2012 remained in the RD funds while the SA funds housed the information for the remaining eight months of the fiscal year. We verified the fund structure by scanning the general ledger detail reports by fund prior to and subsequent to February 1, 2012.

- b. If the L&M Fund was transferred specifically state in the report the date of transfer and summarize the manner in which the transfer was performed (e.g., changing the name of the accounting fund and related bank accounts that are holding these assets for the successor agency) based on an examination of the successor agency's accounting records.

Findings: As mentioned at AUP Procedure A.3.a above, the L&M Fund was not transferred to the housing successor agency as it was already accounted for within the City's Housing Fund prior to the dissolution of the RDA. As such, subsection b. is not applicable.

- c. Examine the successor agency's accounting records and specifically state in the report the value of the assets of the L&M Fund transferred to the redevelopment agency's successor agency.

Findings: As mentioned at AUP Procedure A.3.a above, the L&M Fund was not transferred to the housing successor agency as it was already accounted for within the City's Housing Fund prior to the dissolution of the RDA. As such, subsection c. is not applicable.

4. With regard to the housing activities and assets of the former redevelopment agency:

- a. Inquire and specifically state in the report whether the housing activities and/or assets were transferred and the manner in which the agency did or did not execute a transfer to the successor agency.

Findings: We inquired of the City Controller, Accounting Officer, and Administrator of Development Services/Successor Agency, and noted that housing activities and assets remained in SR 135 subsequent to the dissolution of the former RDA. Furthermore, the City retained the housing functions previously performed by the RDA.

- b. If housing activities were transferred, obtain and specifically state in the report, the underlying documentation authorizing the transfer (e.g., resolution of the city or county assuming the housing activity from the redevelopment agency).

Findings: We verified that the City retained housing activities subsequent to the dissolution of the former RDA through inspection of the Council resolution which noted in part, "The City of Long Beach desires to elect to retain the housing assets and functions previously performed by the Agency in accordance with Section 34176 of the Redevelopment Law."

- c. If the transfer included assets, obtain a list of the assets and their reported value from the successor agency and include as an attachment to the AUP report.

CITY OF LONG BEACH REDEVELOPMENT AGENCY
Attachment A – Agreed-Upon Procedures and Findings

Findings: Housing assets were accounted for in SR 135 prior to the dissolution of the RDA. Accordingly, no transfer was required.

B. Successor Agency

1. With regard to the administrative responsibilities and assets of the former redevelopment agency:

- a. Inquire and specifically state in the report the manner in which the former redevelopment agency did or did not transfer its administrative responsibilities to the successor agency (e.g., documents and records, etc.), and the date of the transfer.

Findings: We inquired of the City Controller and Accounting Officer, and noted that the former RDA transferred all of its administrative responsibilities to the successor agency as of February 1, 2012. We verified this through the City Council recommendation approved via the Council resolution on January 17, 2012.

- b. Inquire and specifically state in the report whether the former redevelopment agency transferred assets other than real property to the successor agency (e.g., cash and investments).

Findings: We inquired of the City Controller and Accounting Officer, and noted that assets other than real property of the former RDA, as of the date of the dissolution, were transferred to the successor agency. These assets included pooled and non-pooled cash and investments, short term investments, receivables and other assets.

- c. If assets other than real property were transferred, examine the successor agency's accounting records and specifically state in the report the transfer date, summarize the manner in which the transfer(s) was performed (e.g., changing the name of the accounting funds and related bank accounts to the name of the successor agency), and the total value of the assets transferred.

Findings: The City created the SA funds to maintain the financial information of the successor agency. All assets of the RD funds as of February 1, 2012, were transferred to the SA funds via journal entries into the general ledger using journal vouchers (JV's). JV's were completed over a period of time, due to the volume of data. The transfer of data commenced mid-March and was completed in May 2012. Furthermore, as of February 1, 2012, the RD funds were locked or otherwise restricted and transactions could no longer be posted to these funds, unless otherwise authorized.

The transfer of bank accounts was not applicable to the pooled cash and investments as the former RDA's cash and investments were maintained in the City's pool. Rather, the equity of the RD funds in the pool was transferred to the SA funds via JV's. In addition, the former RDA's nonpooled cash and investments as of January 31, 2012 totaled \$77 million. These bank accounts remained in the former RDA's name as they were bond reserves and bond proceeds held with the fiscal agent or trustee.

The total value of assets transferred from the former RDA to the successor agency was \$231,217,000. We reviewed the trial balance of the RD funds as of April 30, 2012 and noted \$7,271 remained in equity in pooled cash and investments. We inquired of the Accounting Officer and noted the balance was maintained to pay final invoices for amounts incurred by the former RDA prior to the dissolution.

CITY OF LONG BEACH REDEVELOPMENT AGENCY
Attachment A – Agreed-Upon Procedures and Findings

- d. Inquire and specifically state in the report if real property was transferred from the former redevelopment agency to the successor agency.

Findings: Real property, in the amount of \$47,034,000, which is comprised of land and land held for resale, was transferred from the former RDA to the successor agency as of February 1, 2012.

- e. If real property was transferred, examine and specifically state in the report the evidence of the transfer(s), such as re-recorded titles filed at the Registrar-Recorder/County Clerk.

Findings: Titles for real property were not re-recorded to the successor agency and continue to be recorded under the RDA as of the report date.

2. Examine accounting records of the successor agency and determine if the successor agency has established the Redevelopment Obligation Retirement Fund(s) in its accounting system.

Findings: The Redevelopment Retirement Funds (RORF) were established as funds 270 and 277 under the SA fund type. Funds SA-270 and SA-277 maintain the RORF operations and RORF debt service financial data, respectively.

We verified the successor agency funds were created as noted, by scanning a report generated from FAMIS, which provided asset balances for the noted funds without exception.

3. Obtain audited financial statements of the redevelopment agency for the fiscal years ended June 30, 2010 and June 30, 2011. Prepare a schedule listing the name and balance of each asset shown in the government-wide financial statements for each of the two years, as of June 30th (or fiscal year end, if different). Obtain unaudited asset balances as of January 31, 2012 from the successor agency which are comparable to the 2010 and 2011 amounts and include those on the schedule (marked as "unaudited"). If the successor agency is unable to provide comparable balances, indicate the reason and leave the 2012 column blank. Include the comparative asset listing as Schedule IV to the AUP report.

Findings: The financial statement audit was not complete for the year-ended September 30, 2011 as of the date of this report. As such, we obtained the audited financial statements of the former RDA for the year-ended September 30, 2010 and unaudited asset balances for the year-ended September 30, 2011 and for the period-ended January 31, 2012. We prepared a schedule listing the name and balance of each asset shown in the government-wide financial statements for the periods noted. We noted that the September 30, 2010 and 2011 asset balances are presented using the economic resources measurement focus and accrual basis of accounting and the January 31, 2012 asset balances are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Refer to Schedule IV for a listing of assets and their respective balances.

C. Draft Recognized Obligation Payment Schedule (ROPS)

5. Obtain a list of all payments from the successor agency's general ledger for the period February 1 through March 31, 2012. Trace and agree payments made by the successor agency to a corresponding obligation on the draft ROPS provided by the A-C. Note any discrepancies. It is anticipated that auditors will review all payments for smaller former RDAs, and review a sample of payments for larger former RDAs. The specific number of payments to be examined for each RDA will be determined during the performance of procedures in consultation with the A-C.

CITY OF LONG BEACH REDEVELOPMENT AGENCY
Attachment A – Agreed-Upon Procedures and Findings

Findings: We obtained a list of payments from the successor agency's general ledger (FAMIS). We summed total payments made for February and March by obligation as presented on the draft ROPS. We noted 172 obligations had variances between the estimated payments for February and March 2012 and the actual payments for that period. Refer to Table III for a detailed summary of findings.

We also noted the following findings:

- Obligations for seventeen payments, totaling \$215,965 were inadvertently omitted from the EOPS and the draft ROPS.
 - Obligations for two payments, totaling \$12,047 were inadvertently omitted from the draft ROPS.
 - Obligations for four payments, totaling \$5,458 were not included on the draft ROPS as the final disbursement was anticipated to be made prior to February 1, 2012.
6. Compare each enforceable obligation selected by the A-C from the draft ROPS provided by the A-C in Schedule III to the legal document(s) that forms the basis for the obligation (e.g. contract, bond, indenture, etc.). Note any discrepancies. Any document, or for which the successor agency cannot produce a supporting legal document, or for which the supporting legal document does not support the obligation, should be noted as "questionable" in the AUP report. Exclude any enforceable obligation already reviewed under Procedure A, unless the terms or conditions of the obligation have changed.

Findings: We noted the following findings:

- One obligation was entered into between the former RDA and the City;
- We were unable to recalculate the outstanding obligation due to the lack of information and the inherent nature of the estimate for one obligation; however, the obligation was supported by legislation and had a variance of \$993,784 from management's estimate;
- Eleven obligations were between the vendor and the LBHDC or the City. We noted that, prior to the dissolution of the former RDA, affordable housing related agreements were generally entered into between the LBHDC and the vendor, or the City and the vendor. The City created the nonprofit LBHDC to implement the affordable housing goals and requirements of the City, as required by California Redevelopment Law, and to expend the low and moderate housing funds for the purposes of preserving and increasing the supply of housing affordable to low and moderate income families.
- Five obligations were not supported by a legal document; rather, the obligations were supported by budgeted amounts as approved by the LBHDC or former RDA Boards;
- One obligation is a duplicate of another item on the draft ROPS;
- One obligation was transferred to another department and is no longer an obligation of the successor agency. We verified no payments were made from the successor agency for this obligation by reviewing the payment listing from FAMIS;
- The outstanding amounts for twenty-nine obligations were estimates made by the former RDA; as such, we were unable to trace the amount to a legal document;
- There was a variance between the outstanding obligation amount per the draft ROPS and the legal document(s) and/ or our recalculation for thirty-eight obligations.

Refer to Table IV for a detailed summary of findings.

Schedule 1 - Enforceable Obligation Payment Schedule Provided by the Auditor-Controller (Aug. - Dec. 2011)

Name of Redevelopment Agency:
Project (Year)

City of Long Beach
North, Central, Downtown, West Beach, West Long Beach Industrial, Poly High, Los Alamitos

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34167 and 34169 (*)

Project Area	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month					Total
						Aug**	Sept	Oct	Nov	Dec	
1	A	Open Space/Plaza Loan Agreement	City of Long Beach	30,000,000	0	0.00	0	0	0	0	0
2	A	Park Through Resolution	Los Angeles Unified School District	2,750,000	0	0.00	0	0	0	0	0
3	A	Pending Legal Judgment Claim	Kornet Hardware	50,000	50,000	50,000	0	0	0	0	0
4	A	Project Area Administration	Bergman & Associates	10,000	10,000	10,000	0	0	0	0	0
5	A	Project Area Administration	Forster Hooper (Shore N. Sales)	10,000	10,000	10,000	0	0	0	0	0
6	A	Project Area Administration	Der	45,996	45,996	45,996	0	0	0	0	0
7	A	Project Area Administration	Ramon & Tucker	10,000	10,000	10,000	0	0	0	0	0
8	A	Project Area Administration	Sea-On Signs	11,560	11,560	11,560	0	0	0	0	0
9	A	Project Area Administration	Smith-Emery Laboratories	50,000	50,000	50,000	0	0	0	0	0
10	A	Property Maintenance	Overland, Pacific & Carter	24,550	24,550	24,550	0	0	0	0	0
11	C	734 Pitt - Pitt Ave. West	Meridian Construction	10,000	10,000	10,000	0	0	0	0	0
12	C	Cherry Avenue Widening	Meridian Construction LLC	10,000	10,000	10,000	0	0	0	0	0
13	C	Cherry Avenue Widening	Sanl Pastore	12,800	12,800	12,800	0	0	0	0	0
14	C	Cherry Avenue Widening	4 Star Fabrication	14,456	14,456	14,456	0	0	0	0	0
15	C	Homestead Toward Improvements	Fehrlind	25,000	25,000	25,000	0	0	0	0	0
16	C	Industrial Housing Obligations	Supervisor Housing Agency	15,000,000	15,000,000	15,000,000	0	0	0	0	0
17	C	McBride Park Teen Center	CJ Lumber	15,000	15,000	15,000	0	0	0	0	0
18	C	McBride Park Teen Center	Team CDR	13,000	13,000	13,000	0	0	0	0	0
19	C	McBride Park Teen Center	Sal's of California	2,800,000	2,800,000	2,800,000	0	0	0	0	0
20	C	McBride Park Teen Center	Madison Development, Inc.	413,357	413,357	413,357	0	0	0	0	0
21	C	McBride Park Teen Center	Madison Development, Inc.	27,500	27,500	27,500	0	0	0	0	0
22	C	McBride Park Teen Center	Yukon	14,600	14,600	14,600	0	0	0	0	0
23	C	McBride Park Teen Center	Shoreline Gateway LLC	100,000	100,000	100,000	0	0	0	0	0
24	D	321 W. 7th St (Los Arts)	Department of Housing and Community Development	1,950,836	7,622	8,528.00	0	0	0	0	0
25	D	321 W. 7th St (Los Arts)	Urban Development	206,308	206,308	206,308	0	0	0	0	0
26	D	321 W. 7th St (Los Arts)	U.S. Bank	83,195,870	83,195,870	83,195,870	0	0	0	0	0
27	D	321 W. 7th St (Los Arts)	Studio 111	53,740	53,740	53,740	0	0	0	0	0
28	D	321 W. 7th St (Los Arts)	Argus Contractor, Inc.	14,670	14,670	14,670	0	0	0	0	0
29	D	321 W. 7th St (Los Arts)	Lyon Realty Advisors	650,431	650,431	650,431	0	0	0	0	0
30	D	321 W. 7th St (Los Arts)	The Olson Company	25,000	25,000	25,000	0	0	0	0	0
31	D	321 W. 7th St (Los Arts)	MTA City Ventures	3,057,925	3,057,925	3,057,925	0	0	0	0	0
32	D	321 W. 7th St (Los Arts)	Caplan Technologies	57,873	57,873	57,873	0	0	0	0	0
33	D	321 W. 7th St (Los Arts)	Caplan Technologies	48,300	48,300	48,300	0	0	0	0	0
34	D	321 W. 7th St (Los Arts)	Caplan Technologies	140,812	140,812	140,812	0	0	0	0	0
35	D	321 W. 7th St (Los Arts)	The Designer Business Extension	26,150	26,150	26,150	0	0	0	0	0
36	I	Los Alamitos Project Area	West Side Project Area	2,744,127	2,744,127	2,744,127	0	0	0	0	0
37	N	Los Alamitos Project Area	Los Alamitos Project Area	25,000	25,000	25,000	0	0	0	0	0
38	N	Los Alamitos Project Area	Los Alamitos Project Area	195,200	195,200	195,200	0	0	0	0	0
39	N	Los Alamitos Project Area	Los Alamitos Project Area	203,300	203,300	203,300	0	0	0	0	0
40	N	Los Alamitos Project Area	Los Alamitos Project Area	32,500	32,500	32,500	0	0	0	0	0
41	N	Los Alamitos Project Area	Los Alamitos Project Area	184,938	184,938	184,938	0	0	0	0	0
42	N	Los Alamitos Project Area	Los Alamitos Project Area	196,475	196,475	196,475	0	0	0	0	0
43	N	Los Alamitos Project Area	Los Alamitos Project Area	2,702,000	2,702,000	2,702,000	0	0	0	0	0
44	N	Los Alamitos Project Area	Los Alamitos Project Area	24,161	24,161	24,161	0	0	0	0	0

(Continued)

Schedule 1 - Enforceable Obligation Payment Schedule Provided by the Auditor-Controller (Aug. - Dec. 2011)

Name of Redevelopment Agency
Project Area(s)

City of Long Beach
North Central, Downtown, West Beach, West Long Beach Industrial, Port Haul, Los Alamitos

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
Per FASB SFAS 67 and SFAS 117

Project Area	Project Name / Debt Obligation	Payer	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Aug	Sept	Oct	Nov	Dec	Total
45	N	File Station 12	Construction	2,000,000	118,851	0.00	0				0
46	N	Inchiquin Housing Obligation	San Joaquin Housing Agency	10,000,000							0
47	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	Overhead, Poles & Cable	10,000	10,000	1,000.00	4,000		0		4,000
48	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	RBF	30,000	30,000	15,000.00	12,500	3,000	4,000	1,000	25,500
49	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	South Coast Lighting	\$1,150	\$1,150	25,625.00	28,625		0	0	29,775
50	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	Supply After	1,551,508	1,111,808	100,000.00	260,890	319,754	319,754	111,181	1,511,508
51	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	William	15,000	20,000	1,000.00	1,500	1,500	1,500	0	4,500
52	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	Construction Management	15,000	20,000	1,000.00	1,500	1,500	1,500	0	4,500
53	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	Electric, Heat, Mechanical, Electrical	15,000	20,000	1,000.00	1,500	1,500	1,500	0	4,500
54	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	Property Appraisal	15,000	20,000	1,000.00	1,500	1,500	1,500	0	4,500
55	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	Long Beach Area Construction	40,000	10,000	100.00	9,825	9,825	9,825	9,825	39,300
56	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	Long Beach Area Construction	228,000	0	0.00	0	0	0	0	0
57	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	Long Beach Area Construction	1,000,000	0	0.00	0	0	0	0	0
58	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	Long Beach Area Construction	81,827	81,827	0.00	81,827	0	0	0	81,827
59	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	Long Beach Area Construction	128,040	128,040	0.00	128,040	0	0	0	128,040
60	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	Long Beach Area Construction	118,150	118,150	0.00	118,150	0	0	0	118,150
61	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	Long Beach Area Construction	148,000	148,000	0.00	148,000	0	0	0	148,000
62	N	Long Beach Blvd / Corcoran Street Improvement (Bond Project)	Long Beach Area Construction	15,452,540	1,287,001	148,625	538,117	326,078	335,878	121,976	1,431,255

Project Area
 A Downtown
 B Central
 C Los Alamitos
 D North
 E Poly High
 F West Beach
 G West Side

Schedule II - Enforceable Obligation Payment Schedule Provided by the Auditor-Controller (Jan. - Jun. 2012)

Name of Redevelopment Agency: City of Long Beach
Project Area(s) North, Central, Downtown, West Beach, West Long Beach Industrial, Poly High, Los Altos

Note 1: The Successor Agency did not complete the EOPS for January through June. No further work proposed.

INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE
OCTOBER 2011 PAYMENT: \$265.20, 2012

[illegible]

Agency of Redevelopment Agency
Project Area of

City of Long Beach

CITY of Long Beach
North Central Division, West Beach, West Long Beach Industrial Park North, Los Alamitos

[illegible]

100

Name of Participating Agency:
Project Area(s):

City of Lynn Beach

City of Lynn Beach

[illegible]

(Continued)

INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE
OCTOBER 2011 THROUGH JUNE 30, 2012

[illegible]

Entry 13464

A	D	C	L	M	P	V	S
AB	Downtown	Central	Los Altos	North	Poly High	West Beach	West Side

Investments by Portfolio Sectors									
	Real Estate	Technology	Healthcare	Financial	Consumer Goods	Energy	Telecommunications	Industrials	Other
1	10.2%	15.1%	12.3%	8.7%	22.5%	18.9%	11.4%	9.8%	1.1%
2	11.5%	14.8%	13.1%	9.2%	21.3%	17.6%	12.1%	10.5%	1.7%
3	12.8%	13.5%	14.2%	10.1%	20.7%	16.4%	13.3%	11.8%	2.2%
4	14.1%	12.9%	15.5%	11.3%	19.8%	15.2%	14.5%	12.9%	2.8%
5	15.4%	12.1%	16.8%	12.5%	18.9%	14.1%	15.7%	13.8%	3.5%
6	16.7%	11.3%	18.1%	13.7%	17.8%	13.0%	16.9%	14.7%	4.2%
7	18.0%	10.5%	19.4%	14.9%	16.7%	11.9%	18.1%	15.6%	5.0%
8	19.3%	9.7%	20.7%	16.1%	15.6%	10.8%	19.3%	16.5%	5.8%
9	20.6%	8.9%	22.0%	17.3%	14.5%	9.7%	20.5%	17.4%	6.6%
10	21.9%	8.1%	23.3%	18.5%	13.4%	8.6%	21.7%	18.3%	7.4%
11	23.2%	7.3%	24.6%	19.7%	12.3%	7.5%	22.9%	19.2%	8.2%
12	24.5%	6.5%	25.9%	20.9%	11.2%	6.4%	24.1%	20.1%	9.0%
13	25.8%	5.7%	27.2%	22.1%	10.1%	5.3%	25.3%	21.0%	9.8%
14	27.1%	4.9%	28.5%	23.3%	9.0%	4.2%	26.5%	21.9%	10.6%
15	28.4%	4.1%	29.8%	24.5%	7.9%	3.1%	27.7%	22.8%	11.4%
16	29.7%	3.3%	31.1%	25.7%	6.8%	2.0%	28.9%	23.7%	12.2%
17	31.0%	2.5%	32.4%	26.9%	5.7%	0.9%	30.1%	24.6%	13.0%
18	32.3%	1.7%	33.7%	28.1%	4.6%	-0.2%	31.3%	25.5%	13.8%
19	33.6%	0.9%	35.0%	29.3%	3.5%	-1.1%	32.5%	26.4%	14.6%
20	34.9%	0.1%	36.3%	30.5%	2.4%	-2.0%	33.7%	27.3%	15.4%

Admitted Cost Calculations Based on RPTT Only
Admitted Cost Calculations Based on RPTT Only

4,420,007
5,370,894

2019年12月10日

[illegible]

191 The total collection amount is inventoried, the further such reported.

CITY OF LONG BEACH REDEVELOPMENT AGENCY
Schedule IV - Procedure B.3 - Schedule of Assets

County of Los Angeles Auditor-Controller
(in thousands)

Assets:	(Audited) September 30, 2010*	(Unaudited) September 30, 2011*	(Unaudited) January 31, 2012**
Current assets			
Pooled cash and investments	\$ 95,739	\$ 119,358	\$ 126,779
Nonpooled cash and investments	60,210	30,702	37,433
Short-term investments (nonperforming)	194	194	195
Interest receivable	155	86	8
Taxes Receivable	100,424	92,769	-
Accounts and loans receivables	445	502	326
Due from other governments	245	176	175
Due from the Redevelopment Agency	51	220	-
Land held for resale	181,350	33,644	33,932
Noncurrent assets			
Nonpooled investments	38,358	41,005	40,896
Advances to the City of Long Beach	23,122	808	808
Advances to Housing Development Company	2,421	2,421	2,421
Advances to the Redevelopment Agency	38,454	34,058	29,878
Other noncurrent receivables	46,935	55,726	54,464
Other assets	1,622	1,588	1,577
Capital Assets:			
Land and other assets not being depreciated	22,819	32,828	32,828
Buildings, improvements, and equipment, net of accumulated depreciation	1,445	1,329	1,329
Total assets	\$ 613,989	\$ 447,414	\$ 363,049

* Presented using the economic resources measurement focus and accrual basis of accounting.

** Presented using the current financial resources measurement focus and modified accrual basis of accounting.

City of Long Beach Redevelopment Agency
Table I - EOPS August - December 2011 Procedure A.1.a Findings
County of Los Angeles Auditor-Controller

EOPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Reportable Item Noted
1	Open Space/Parks Loan Agreement	City of Long Beach	Parks/Open Space public improvements per Promissory Note	\$ 30,000,000	Obligation between the former redevelopment agency and the City of Long Beach.
2	Pass-Through Restitution	Los Angeles Unified School District	Pending legal judgment claim of restitution for pass-through calculation w/o ERAF	2,750,000	Outstanding obligation amount not recalculated due to the complexity of the calculation.
3	Pending Legal Judgment Claim	Kermit Hathcoat	Lawsuit	50,000	Obligation terminated subsequent to the preparation of the EOPS and are no longer obligations of the successor agency.
5	Project Area Administration	Foster Hooper (Store N Save)	Storage space rental	10,000	Obligation will be paid from the successor agency's administrative allowance; no legal document provided.
7	Project Area Administration	Rutan & Tucker	Legal Services	10,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
9	Project Area Administration	Smith-Emery Laboratories	Soil Testing	50,000	Obligation between the vendor and the City of Long Beach.
11	754 Pine - Pine Ave. Mart	Max Ceron Construction	Façade Improvement - Construction	24,550	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
12	Cherry Avenue Widening	Meams Consulting LLC	Environmental Study	10,000	Obligation terminated subsequent to the preparation of the EOPS and are no longer obligations of the successor agency.
13	Cherry Avenue Widening	Sanli Pastore	Goodwill Loss Analysis	12,800	Net impact of obligation to former redevelopment agency is \$0 as amounts will be reimbursed.
15	Homeland Tenant Improvements	Fernald	Architect/Design/Construction Admin	35,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
16	Inclusionary Housing Obligations	Successor Housing Agency	Central Project Area Incl. Housing Obligation	15,000,000	Obligation terminated subsequent to the preparation of the EOPS and are no longer obligations of the successor agency. Obligation disallowed by the DOF and removed from the EOPS.
25	American Hotel	Urbana Development	General Contractor	208,309	Obligation terminated subsequent to the preparation of the EOPS and are no longer obligations of the successor agency.
26	Aquarium of the Pacific	U.S. Bank	Pledge of TOT of AOP debt service	93,198,870	Obligation terminated subsequent to the preparation of the EOPS and are no longer obligations of the successor agency.
31	Pacific & 3rd/4th	MTA/City Ventures	100 park and rides spaces in the City Ventures development on Pacific between 3rd & 4th.	3,067,952	Obligation terminated subsequent to the preparation of the EOPS and are no longer obligations of the successor agency.

(Continued)

**City of Long Beach Redevelopment Agency
Table I - EOPS August - December 2011 Procedure A.1.a Findings**

County of Los Angeles Auditor-Controller

EOPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Reportable Item Noted
43	Evergreen Apartments	Abode Communities	Rehabilitation Loan - 81 rental units for low-mod households	\$ 2,702,000	Obligation terminated subsequent to the preparation of the EOPS and are no longer obligations of the successor agency. Obligation disallowed by the DOF and removed from the EOPS.
45	Fire Station 12	Gonzales Construction/Attorneys	Reserve for cost of potential litigation	2,000,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
46	Inclusionary Housing Obligations	Successor Housing Agency	North Project Area Inclu. Housing Obligation	10,000,000	Obligation terminated subsequent to the preparation of the EOPS and are no longer obligations of the successor agency. Obligation disallowed by the DOF and removed from the EOPS.
47	Long Beach Blvd./Couplets Street Improvement (Bond Project)	Overland, Pacific & Cutler	Easement Acquisition	10,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
48	Long Beach Blvd./Couplets Street Improvement (Bond Project)	RBF	Engineer	30,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
51	Long Beach Blvd./Couplets Street Improvement (Bond Project)	Willdan	Construction Management	15,500	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
54	North Project Area Committee	North Project Area Committee	Legal Services Agreement	40,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document. Payee incorrect on EOPS; rather payee should be Wallin, Kress, Reisman & Kranitz, LLP.
55	Parking Wayfinding	MTA	Parking wayfinding signage - Grant match	238,000	Obligation terminated subsequent to the preparation of the EOPS and are no longer obligations of the successor agency.
56	Parwood (Northpointe) Apts	CalHFA	Residential Rehab. HELP Loan Repayment	1,000,000	Obligation between the vendor and the City of Long Beach.
57	Public Art Installation	City of Long Beach, Public Works	Grace Park, Chase Park, Atlantic Median	61,627	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.

(Continued)

City of Long Beach Redevelopment Agency
Table I - EOPS August - December 2011 Procedure A.1.a Findings
County of Los Angeles Auditor-Controller

EOPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Legal Document/ Auditor Recalculation	Variance
Reportable item noted: Variance between the outstanding obligation amount per the EOPS and the legal document(s) and/ or Auditor recalculation						
5	Project Area Administration	Foster Hooper (Store N Save)	Storage space rental	\$ 10,000	\$ 4,500	\$ 5,500
8	Project Area Administration	Sav-On Signs	Sign manuf and installation	11,560	12,153	(593)
13	Cherry Avenue Widening	Sanli Pastore	Goodwill Loss Analysis	12,800	30,876	(18,076)
18	McBride Park Teen Center	Totum Corp.	Construction Manager	13,000	5,396	7,604
20	Orizaba Park Expansion	Mackone Development, Inc.	Contractor	413,357	464,983	(51,626)
21	PE Row	Transystems	Construction Manager	27,500	122,098	(94,598)
22	Rosa Parks Park	Yakar	Contractor	14,660	17,745	(3,085)
24	321 W. 7th St (Lois Apts)	Department of Housing and Comm Dev	CHRP-R Rehab Loan	1,580,936	1,567,936	13,000
27	ArtExchange	Studio 111	Design/Construction Plans	55,740	-	55,740
28	Bikestation Construction	Angeles Contractor, Inc.	Bikestation Long Beach sign fabrication and installation	14,870	43,489	(28,619)
33	Public Art - Promenade South	Craig Cree Stone	Public Art Design and Fabrication	46,300	39,300	7,000
39	Admiral Kidd Park Development	PIMA Corporation	General Contractor	208,309	374,165	(165,856)
40	Business Development	James Hansen	Business Attraction and Retention	32,500	26,113	6,387
41	Davenport Park Development (Bond Project)	RJM	Landscape Architect	184,938	186,973	(2,035)
42	East Police Station (Bond Project)	RBF	Environmental Consulting	109,475	181,063	(71,588)
44	Fire Station 12 (Bond Project)	Beverly Prior Architects	Contract administration/architecture	24,180	130,730	(106,550)
49	Long Beach Blvd./Couplets Street Improvement (Bond Project)	South Coast Lighting	Light Pole Manufacturer	51,250	53,330	(2,080)
50	Long Beach Blvd./Couplets Street Improvement (Bond Project)	Sully Miller	General Contractor	1,561,508	1,479,079	82,429
56	Parwood (Northpointe) Apts	CalHFA	Residential Rehab. HELP Loan Repayment	1,000,000	904,402	95,598

City of Long Beach Redevelopment Agency
Table II - EOPS August - December 2011 Procedure A.1.b Findings

County of Los Angeles Auditor-Controller

EOPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Date of Obligation	Reportable Item Noted
53	Long Beach City College Expansion	Flavell	Property Appraisal	\$ 16,000	August 31, 2011	Obligation entered into after June 29, 2011; however obligation was for services for ongoing project
58	Public Art Installation	World Wide Construction	Grace Park, Chase Park, Atlantic Median	128,040	July 19, 2011	Obligation entered into after June 29, 2011; however obligation was for services for ongoing project

City of Long Beach Redevelopment Agency
Table III - ROPS October 2011 - June 2012 Procedure C.5 Findings

County of Los Angeles Auditor-Controller

ROPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Estimated Feb./ Mar. 2012 Payments	Actual Feb./ Mar. 2012 Payments	Variance
<i>Reportable item noted: Variance between estimated and actual payments</i>							
2	Administrative Costs	City of Long Beach	General City Overhead, Engineering Services, Financial Management, Public Works, Civic Center Rent, Tech Services MOU, Workers Comp. KPMG Financial Audit Services, Property Insurance, Financial System Charges, Dept Admin Overhead, City Auditor Desk Audit,	\$ 3,133,560	\$ 522,260	\$ 23,625	\$ 498,635
4	Administrative Costs	Successor Agency	Office supplies/Training/Financial Auditing	5,000	20,200	-	20,200
5	Affordable Housing Compliance	City of Long Beach	Administer required Monitoring Program	116,725	19,454	-	19,454
11	Affordable Housing Services	Southern Calif. Assoc. of Nonprofit Housing	Annual Membership	350	275	-	275
12	Art Projects	Arts Council for Long Beach	FY11 Contract for Art and Administration	237,949	9,658	8,408	1,250
13	Bond Administration	U.S. Bank	Annual Administration Fees	13,000	5,975	140	5,835
14	Calpers/Sick Leave/Post Ret. Health/WC/Vacation/Severance	City of Long Beach	Unfunded RDA share Liability/Severance Costs	15,956,085	380,366	-	380,366
16	Dues & Subscriptions	APA/IEDC/ICSC/ULI/Architect Record	Memberships and Subscriptions	1,736	800	-	800
17	Employee Costs	Employees of Agency and Housing	Payroll for Employees	6,073,716	952,089	-	952,089
19	Housing Services Bureau	110 Pine Avenue Holding LLC	110 Pine Suite 1200 lease	204,000	33,860	16,930	16,930
20	Neighborhood Enhancement Area Neighborhood Stabilization Program (NSP2)	City of Long Beach, Development Services	Single Family Residential Rebate	344,907	25,000	56,368	(31,368)
21		Contractors	Single Family Rehabilitation Grants	1,312,949	84,690	21,876	62,814
22	Project Area Administration	Altany/Demographic	Demographic Information	2,685	2,685	-	2,685
23	Project Area Administration	A-Throne	Fence Rental	792	132	-	132
24	Project Area Administration	Bergman & Alldredge	Legal Services	10,000	2,741	799	1,943
25	Project Area Administration	Best, Best & Krieger	Legal Services Agreement	100,000	-	410	(410)
26	Project Area Administration	Chicago Title Company	Title Services	55,000	5,000	300	4,700
27	Project Area Administration	City of Long Beach Billing & Collections	Business License Fees	6,000	1,000	-	1,000
28	Project Area Administration	CRA	Professional Development and Organizational Support	108,180	2,000	400	1,600
30	Project Area Administration	Deli 456 NMHAGLA	Grand opening-demolition ceremony Catering	2,000	300	249	51
31	Project Area Administration	Experian	Credit profiles	1,000	174	87	87
32	Project Area Administration	Flowers by Vicki - Mone Floral	Grand opening-demolition ceremony flowers/balloons	350	161	125	36
33	Project Area Administration	Foster Hooper	Storage space rental - Housing/RDA	10,000	900	393	507
34	Project Area Administration	Hahn & Hahn	Legal Services - ongoing eminent domain	480,000	4,000	150	3,850

(Continued)

City of Long Beach Redevelopment Agency
Table III - ROPS October 2011 - June 2012 Procedure C.5 Findings

County of Los Angeles Auditor-Controller

ROPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation \$	Estimated Feb./ Mar. 2012 Payments \$	Actual Feb./ Mar. 2012 Payments \$	Variance \$
35	Project Area Administration	HdL Coren	Property Tax Consultant	37,036	27,536	813	26,724
36	Project Area Administration	Howroyd Wright (Apple One)	Temp Staffing Services	6,000	944	720	224
37	Project Area Administration	Iron Mountain	Storage space rental	1,800	310	426	(116)
38	Project Area Administration	JCL Barricade	Barricade Services	600	125	900	(775)
39	Project Area Administration	Kane, Ballmer, & Berkman	Legal Services Agreement	60,000	2,000	184	1,816
40	Project Area Administration	Keyser Marston Associates	Financial Consulting Services	100,000	8,000	13,339	(5,339)
41	Project Area Administration	Koncal/Minolta	Copier Lease/Maintenance	6,360	600	293	307
42	Project Area Administration	Leibold McClendon & Mann	Legal Services	50,000	10,000	13,993	(3,993)
45	Project Area Administration	National Council for Comm Dev	Section 108 Loan Consulting	45,996	7,668	3,833	3,835
46	Project Area Administration	Office Depot	Office Supplies	10,000	1,700	318	1,382
47	Project Area Administration	Rutan & Tucker	Legal Services	10,000	1,000	-	1,000
48	Project Area Administration	Smith-Emery Laboratories (UPS)	Soil Testing	50,000	13,000	13,304	(304)
49	Project Area Administration	United Parcel Services	Overnight shipping services	600	45	14	31
50	Project Area Administration	Wallin, Kress, Reisman & Kranitz, LLP	Legal Services	7,000	1,000	1,344	(344)
51	Project Area Administration	Weststar Loan Servicing	Loan Servicing Fees	41,400	690	540	150
52	Property Maintenance	Equity North Investments	Property Maintenance Agency-wide	275,000	44,917	74,544	(29,627)
53	Property Maintenance	Overland, Pacific & Cutler	Property Maintenance Agency-wide	300,000	50,000	53,464	(3,464)
54	Single-Family Owner-Occupied Home Rehab	Contractors	Owner-Occupied Mod-Income single-family home rehab Low-Mod Fund	375,000	10,800	10,880	(80)
55	State Water Board	SWRCB	Permit Fees	2,000	2,000	-	2,000
57	1330 Gladys Avenue	Jesse Dean	Creative Office Tenant Improvement	124,788	48,793	36,424	12,369
58	1500 Pine # 8 - LBHDC	City of Long Beach	Carrying Costs - Residential Condo utilities	1,200	200	-	200
59	1500 Pine # 8 - LBHDC	Millennia Development, Inc.	Carrying costs - Residential Condo HOA Dues	2,400	400	-	400
60	1900 Atlantic	Overland, Pacific & Cutler	Property Management/Maintenance	68,077	11,346	10,586	760
63	3243 E. Anaheim	Howard CDM	Facade Improvement - Construction	119,289	106,789	-	106,789
64	345 E. 8th	Equity North Investments	Fence Installation	1,900	1,900	-	1,900
66	Armory Lofts	Appleby-Pickard	Performance Deposit for ENA and OPA	10,000	10,000	-	10,000
67	Atlantic Workforce Housing Groundwater Monitoring	SCS Engineers	Groundwater Monitoring	50,000	2,000	6,517	(4,517)
69	Cherry Avenue Widening	Hahn & Hahn	Legal Services Agreement	58,500	10,000	7,589	2,411

(Continued)

**City of Long Beach Redevelopment Agency
Table III - ROPS October 2011 - June 2012 Procedure C.5 Findings**

County of Los Angeles Auditor-Controller

ROPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Estimated Feb./ Mar. 2012 Payments	Actual Feb./ Mar. 2012 Payments	Variance
73	Coronado	Brookfield Homes	Development/Second Mortgage Assistance Loans - New affordable ownership condos. 48 units. 100% affordable.	\$ 7,847,784	\$ 600,000	\$ -	\$ 600,000
74	Craftsman Park	Melendrez	Architectural Services/Project Management	62,000	9,778	4,778	5,001
75	Craftsman Park	Totum Corp.	Construction Manager	76,650	4,776	2,276	2,500
76	Deukmejian Courthouse	Administrative Office of the Courts	Reimbursement for Off-Site Improvements	7,000,000	2,000,000	-	2,000,000
79	Homeland Cultural Center - MacArthur Park	KOAM Corp (CBM Consulting)	Construction Mgmt. Services	3,000	-	118,599	(118,599)
80	Homeland Cultural Theater	AM&C	Surety	259,599	259,599	-	259,599
81	Homeland Cultural Theater	Padilla Inc.	Labor Compliance Auditor	4,696	4,696	6,998	(2,302)
82	Homeland TI	Fernald	Architect - Design/Construction Administration	35,000	4,000	1,620	2,380
83	Homeland TI	Public Works	Plan Check / Bidding / Project Mgmt.	25,000	2,000	-	2,000
84	McBride Park Teen Center	Construct 1 One Corp.	Contractor	1,347,374	99,640	44,875	54,765
85	McBride Park Teen Center	Marlinez Architects	Architect	71,452	9,170	1,834	7,336
86	McBride Park Teen Center	Perceptive Enterprises	Labor Compliance	8,000	5,000	-	5,000
89	McBride Senior Center	Marlinez Architects	Architect	127,128	3,688	12,524	(8,836)
90	McBride Senior Center	Totum Corp.	Construction Manager	24,850	4,000	1,813	2,187
91	MIG Daisy Avenue	Sully-Miller Contracting Company	Contractor	247,873	-	343,682	(343,682)
93	Orizaba Park Community Center	Fernald, Inc.	Architectural Services	261,263	10,000	-	10,000
94	Orizaba Park Community Center	Totum Corp.	Construction Mgmt. Services	253,944	3,000	-	3,000
96	Orizaba Park Expansion	Mackone Development, Inc.	Contractor	413,357	267,419	90,227	177,182
97	Orizaba Park Expansion	Public Works	Construction Inspection / Mgmt.	25,000	5,000	-	5,000
98	Orizaba Train - Art Fabrication	Patrick Vogel Design	Fabrication	65,000	-	29,191	(29,191)
99	Orizaba Train - Art Installation	Patrick Vogel Design	Installation	40,000	33,000	-	33,000
100	Palace Hotel	LINC Housing	Affordable Housing Rehab Project	2,135,408	672,116	714,833	(42,717)
101	Pass Through Payments	Various	FY11-12 Pass Through Payments - Central Project Area	3,014,151	2,889,311	-	2,889,311
102	PE Row	County of LA	Plan Check	8,000	1,500	4,310	(2,810)
103	PE Row	Landmark Site Contractors	Contractor	160,000	77,000	87,684	(10,684)
104	PE Row	Transystems	Construction Management	27,500	19,925	15,395	4,530
105	Pine Avenue Residential Rehab	Jamboree Housing Corporation	Rehab family affordable rental housing. 14 units. 100% affordable.	3,182,800	1,500,000	410,074	1,089,926
107	Senior Art Colony and Annex - Phase I	Comprehensive Housing Services	Labor compliance monitoring	70,000	-	4,181	(4,181)
108	Senior Art Colony and Annex - Phase I	Long Beach Senior Artists Colony - LP Long Beach Regal	New senior affordable rental housing. 200 units. 100% affordable.	9,094,944	1,684,122	2,626,001	(941,879)

(Continued)

City of Long Beach Redevelopment Agency
Table III - ROPS October 2011 - June 2012 Procedure C.5 Findings

County of Los Angeles Auditor-Controller

ROPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation \$	Estimated Feb./ Mar. 2012 Payments \$	Actual Feb./ Mar. 2012 Payments \$	Variance \$
109	Shoreline Gateway	Bergman & Alderdice	Legal Services	50,000	2,272	-	2,272
111	Shoreline Gateway	Keyser Marston Associates	Financial Consulting Services	20,000	909	-	909
112	The Courtyards	Clifford Beers, Inc.	Affordable Housing Rehab Project	400,000	400,000	-	400,000
113	Washington School HAP Focus Area Scattered Sites Development	Habitat for Humanity of Greater Los Angeles	Development of three new single-family homes on Henderson and Chestnut, and the rehabilitation of the existing home at 1650 Magnolia, for low-income families.	285,200	208,659	285,200	(76,541)
115	Willmore Rehab-734 Maine	Hulean Tyler and Deborah Behar	Construction Costs for Landscaping	12,500	12,500	-	12,500
116	Willmore Rehab-734 Maine	Troller Mayer	Design Services for Landscaping	2,500	2,500	-	2,500
118	Project Area Administration	Pepper Russell	PAC Secretarial Services	9,300	7,400	4,162	3,238
120	309 Pine	Heery Int'l	TIs	20,619	20,619	-	20,619
121	Bikestation Long Beach	Angeles Contractor, Inc.	Construction and sign	14,870	36,853	-	36,853
122	Bikestation Long Beach	Public Works	Inspection services	24,879	5,000	-	5,000
123	Broadway & Elm	City Ventures/KMA/Alderdice	ENA Deposit-legal fees, financial analysis, or refund	50,000	50,000	-	50,000
124	Broadway & Promenade	Forest City California Residential Development Inc./KMA/Alderdice	ENA Deposit-legal fees, financial analysis, or refund	50,000	50,000	-	50,000
125	City Loan	City of Long Beach	Downtown redevelopment project area planning	94,838,615	750,000	-	750,000
126	City Place Garage	Amano McGann, Inc	Automated Parking Equipment	98,938	98,938	-	98,938
128	Downtown Long Beach Associates (DLBA) Support	DLBA	Economic Development, Marketing, Outreach, Special Events	550,431	32,000	43,878	(11,878)
129	Pacific & 3rd/4th	City Ventures/KMA/Alderdice	ENA Deposit-legal fees, financial analysis, or refund	50,000	50,000	-	50,000
130	Pine Court Conversion	Pacific Court - Pine Square Partners /KMA/Alderdice/Thimmig	MOU Deposit-legal fees, financial analysis, bond counsel, or refund	35,000	35,000	-	35,000
131	Promenade Maintenance District	Reserve Data Analysis, LLC	Promenade Maintenance Fee Study	12,000	3,195	1,598	1,598
132	Promenade North Block	ValleyCrest Landscape Development, Inc.	Streetscape Improvements on The Promenade north block between First St. and Broadway	2,697,995	2,428,195	30,000	2,398,195
133	Promenade South Block	ValleyCrest Landscape Development, Inc.	Streetscape improvements on The Promenade south block between Ocean Blvd. and First St.	559,579	-	4,500	(4,500)
134	Property Based Improvement District	DLBA	Property Assessments (Annual Prop Tax Assessment)	131,704	65,852	29,196	36,656
135	SBDC Consultant	SBDC/LBCC	Consultant Services - SBDC	105,500	93,000	-	93,000
136	The Designory Business Retention	The Designory	Reimbursement of Parking Expenses	24,150	3,150	-	3,150

(Continued)

**City of Long Beach Redevelopment Agency
Table III - ROPS October 2011 - June 2012 Procedure C.5 Findings**

County of Los Angeles Auditor-Controller

ROPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Estimated Feb./ Mar. 2012 Payments	Actual Feb./ Mar. 2012 Payments	Variance
138	Los Altos Project Area	Various	FY11-12 Pass Through Payments - Los Altos Project Area	\$ 4,803	\$ 4,803	\$ -	\$ 4,803
139	Los Altos Project Area	LA County Office of Educ. District	Tax Sharing Agreement- HH&S 33876	32,825	32,825	-	32,825
140	Los Altos Project Area	LA County Flood Control District	Tax Sharing Agreement- HH&S 33876	4,059,230	4,059,230	-	4,059,230
142	2070 Tax Allocation Bonds	Bank of New York	Bonds issue to fund North RDA projects	81,745,808	1,256,977	1,250,600	6,377
143	3361 Andy Street	LBHDC	4-unit affordable housing rehab	462,180	-	3,613	(3,613)
145	3756 LB Blvd - Bike Shop	Howard CDM	Facade Improvement - Construction	6,142	6,142	19,953	(13,811)
147	3853 Atlantic - Nino's Rest.	RRM	Facade Improvement - Architect	6,180	4,000	4,468	(468)
148	4306 Atlantic - EJ Malloy's	International City Escrow	Facade Improvement - Escrow Services	117,859	35,294	-	35,294
149	5299 Long Beach Blvd	Urban Arena	Facade Design	3,000	3,000	-	3,000
150	5301 LBB Parking (El Ranchito)	Overland, Pacific & Cutler	SCS site remediation work	485,000	80,000	36,931	43,069
151	5368 Long Beach Blvd (Paseo)	Addscape, Inc.	Construction	141,450	57,680	37,440	20,240
152	5376-5390 LBB CFIP	Overland, Pacific & Cutler	Sign (Furniture Warehouse)	8,500	7,500	-	7,500
153	5376-5390 LBB CFIP	Urban Arena	Architectural design services	6,490	5,000	5,755	(755)
154	5414 Long Beach Blvd	Urban Arena	Facade Design	3,000	3,000	-	3,000
156	Artesia Blvd. Median Improvement	AECOM	Landscape Architect	30,000	9,634	20,366	(10,732)
159	Atlantic Ave. Median Improvement	AECOM	Landscape Architect	99,772	99,772	23,940	75,832
161	Atlantic Ave. Median Improvement	Public Works	Plan Check, bidding, construction/project mngmnt	250,000	2,500	-	2,500
164	Bixby Knolls Shopping Center	GASKA	Facade Improvement	800,000	500,000	-	500,000
165	BKBLA	Bixby Knolls Business Improvement Association	Business Improvement District	2,000,000	75,939	59,272	16,667
166	Davenport Park Development	Bryan A. Strrat & Assoc.	Landfill Closure/Land Use Consultant	349,137	12,000	24,207	(12,207)
167	Davenport Park Development	LSA Associates	Prepare EIR	207,171	30,000	638	29,363
168	Davenport Park Development	State Water Quality	Environmental Approval/Monitoring	20,000	10,000	-	10,000
169	Expo Building (4321 Atlantic)	City of Long Beach	Fire/Life Safety Renovations and Code Compliance	200,000	100,000	-	100,000
170	Fire Station 12	CBM Consulting, Inc.	Construction management	172,919	85,030	27,553	57,477
171	Fire Station 12	Gonzales Construction	Construction	4,724,384	750,000	-	750,000
172	Fire Station 12	Kleinfelder	Inspection services	60,035	30,000	7,881	22,119
173	Fire Station 12	Mary McGrath Architects	Contract administration/architecture	99,949	66,000	26,024	39,976
174	Fire Station 12	Solis Group	Labor Compliance	54,000	12,000	18,000	(6,000)
175	Fire Station 12	Vislink	Communications tower	257,980	67,299	-	67,299
177	North Neighborhood Library	LPA, Inc.	North Library Design	812,602	12,000	-	12,000
179	Orchard Supply Lease Agreement	Orchard Supply	Sales Tax Rebate	140,842	11,500	6,691	4,809
180	Oregon Park Development	City Development Dept.	City Plan Check/Permit/Inspection Fees	60,000	10,000	-	10,000
181	Oregon Park Development	LA County	Easement Agreement/Plan Check	50,000	50,000	-	50,000
182	Oregon Park Development	RJM Design Group	Landscape Architect	53,300	18,666	1,874	16,792
183	Oregon Park Development	Public Works	Plan Check, bidding, construction/project mngmnt	350,000	1,867	-	1,867

(Continued)

**City of Long Beach Redevelopment Agency
Table III - ROPS October 2011 - June 2012 Procedure C.5 Findings**

County of Los Angeles Auditor-Controller

ROPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation \$	Estimated Feb./ Mar. 2012 Payments \$	Actual Feb./ Mar. 2012 Payments \$	Variance \$
185	Oregon Park Development	So Cal Edison	Reroute Utility/Plan Check	100,000	18,000	26,308	(8,308)
186	Pass Through Payments	Various	FY11-12 Pass Through Payments - North Project Area		6,684,264	-	6,684,264
189	Sprint Cell Tower - Project Admin.	DM&A	Relocation valuation services	30,000	6,250	-	6,250
190	Vons Lease Agreement	Vons	Sales Tax Rebate	391,737	49,735	-	49,735
192	Neighborhood Development Program	City of Long Beach	Poly High Public Improvements	3,140,260	25,000	-	25,000
193	Pass Through Payments	Various	FY11-12 Pass Through Payments - Poly High	45,075	32,432	-	32,432
194	Poly Gateway	Melendrez	Architectural Services	5,000	4,000	1,687	2,313
195	Poly Gateway	Fast-Track Construction	Contractor	130,400	13,040	-	13,040
196	Poly Gateway	Public Works	Construction Inspection / Mgmt.	12,000	1,000	-	1,000
197	Poly Gateway Monument Signs	Equity North Investments	Electrical Work for Monument Signs	30,000	30,000	-	30,000
198	Poly Gateway Monument Signs	Equity North Investments	Fabrication / Installation	40,000	30,000	-	30,000
199	Poly Gateway Monument Signs	Frank R. Webb architects	Sign design	2,252	2,252	3,750	(1,498)
200	2002 Tax Allocation Bonds	Bank of New York	Bonds issue to fund RDA projects	107,192,411	1,856,272	699,918	1,156,354
202	Pass Through Payments	Various	FY11-12 Pass Through Payments - West Beach	44,805	44,805	-	44,805
203	2005 Tax Allocation Bonds	Bank of New York	Bonds issue to fund RDA/Housing projects	379,348,661	5,041,867	5,029,059	12,808
204	1300 W. 14th St.	Avalon Boats	Facade Improvement - Construction	56,668	56,668	-	56,668
205	1461-65 Cola Ave.	Lester Box	Performance Deposit	10,000	10,000	-	10,000
206	1539 Santa Fe Ave.	International City Escrow	Facade Improvement - Construction	30,000	30,000	-	30,000
207	1560 W. PCH - Golden Star	Alchemy	Facade Improvement - Architect	1,500	1,500	-	1,500
208	1570 Cola - Atlas Marine	Environ	Facade Improvement - Architect	556	556	-	556
210	1655 Cola Ave A&A Aerospace	BOA	Facade Improvement - Architect	2,640	-	340	(340)
211	1690 Hayes - Bruno & Sons	BOA	Facade Improvement - Architect	3,878	340	-	340
212	1690 Hayes - Bruno & Sons	International City Escrow	Facade Improvement - Construction	30,850	30,850	-	30,850
214	2200 W. 16th St.	BOA	Facade Improvement - Architect	6,000	340	-	340
215	Convention Center	City of Long Beach	Convention Center expansion	538,181	538,181	-	538,181
217	Pass Through Payments	Various	FY11-12 Pass Through Payments - West Side	613,652	500,872	-	500,872
218	West Long Beach Project Area	Westside Project Area Committee	PAC Administration	80,000	4,000	10,450	(6,450)
219	Westside Storm Drain	AECOM	Phase 1,2&3 Design	85,000	-	96,879	(96,879)
220	Westside Storm Drain	Olsson, Inc.	Contractor	3,957,380	154,737	84,737	70,000
221	Westside Storm Drain	Willdan Associates	Inspection services	121,000	23,730	40,651	(16,921)
222	Westside Storm Drain	Kleinfielder	Materials Observation / Testing	50,000	20,000	593	19,407
223	Westside Storm Drain	Public Works	Engineering / Construction Mgmt. Services	30,000	5,000	-	5,000
224	1992 Tax Allocation Bonds Series	U.S. Bank	Bonds issue to fund RDA projects	43,108,200	1,672,156	2,115	1,670,041

City of Long Beach Redevelopment Agency
Table IV - ROPS October 2011 - June 2012 Procedure C.6 Findings
County of Los Angeles Auditor-Controller

ROPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Reportable Item Noted
5	Affordable Housing Compliance Monitoring	City of Long Beach	Administer required Monitoring Program	\$ 116,725	The agreement was entered into between the former redevelopment agency and the City of Long Beach.
14	Calpers/ Sick Leave/ Post Ret. Health/WC/Vacation/ Severance	City of Long Beach	Unfunded RDA share Liability/Severance Costs	15,956,085	Exact outstanding obligation amount not recalculated due to the complexity of the calculation. However, we traced obligation per the draft ROPS to the City's estimate. A variance of \$993,784 was noted.
27	Project Area Administration	City of Long Beach Billing & Collections	Business License Fees	6,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
34	Project Area Administration	Hahn & Hahn	Legal Services - ongoing eminent domain	480,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
39	Project Area Administration	Kane, Ballmer, & Berkman	Legal Services Agreement	60,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
40	Project Area Administration	Keyser Marston Associates	Financial Consulting Services	100,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
42	Project Area Administration	Leibold McClendon & Mann	Legal Services	50,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document. Furthermore, agreement was entered into between the vendor and the City of Long Beach Housing Development Company or the City of Long Beach.
52	Property Maintenance	Equity North Investments	Property Maintenance Agency-wide	275,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
53	Property Maintenance	Overland, Pacific & Cutler	Property Maintenance Agency-wide	300,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
60	1900 Atlantic	Overland, Pacific & Cutler	Property Management/Maintenance	68,077	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
69	Cherry Avenue Widening	Hahn & Hahn	Legal Services Agreement	58,500	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.

(Continued)

**City of Long Beach Redevelopment Agency
Table IV - ROPS October 2011 - June 2012 Procedure C.6 Findings**

County of Los Angeles Auditor-Controller

ROPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Reportable Item Noted
73	Coronado	Brookfield Homes	Development/Second Mortgage Assistance Loans - New affordable ownership condos. 48 units. 100% affordable.	\$ 7,847,784	Agreement was entered into between the vendor and the City of Long Beach Housing Development Company or the City of Long Beach.
78	Habitat Homes - Pine/14th	Habitat for Humanity of Greater Los Angeles	Rehab/New Construction Single-Family homes	537,200	Agreement was entered into between the vendor and the City of Long Beach Housing Development Company or the City of Long Beach. Furthermore, no legal contract has been entered into. Obligation supported by budgeted amount for project approved by the Housing Development Company or RDA Board.
85	McBride Park Teen Center	Martinez Architects	Architect	71,452	Obligation is a duplicate of ROPS #89 and should be removed from the draft ROPS
87	McBride Park Teen Center	Public Works	Inspection services	10,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
92	Olive Court	Homebuyers	2nd Mortgage Assistance Loans-Low-Mod BEGIN funds	1,625,626	Agreement was entered into between the vendor and the City of Long Beach Housing Development Company or the City of Long Beach.
97	Orizaba Park Expansion	Public Works	Construction Inspection / Mgmt.	25,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
100	Palace Hotel	LINC Housing	Affordable Housing Rehab Project	2,135,408	Agreement was entered into between the vendor and the City of Long Beach Housing Development Company or the City of Long Beach.
105	Pine Avenue Residential Rehab	Jamboree Housing Corporation	Rehab family affordable rental housing. 14 units. 100% affordable.	3,182,800	Agreement was entered into between the vendor and the City of Long Beach Housing Development Company or the City of Long Beach.

(Continued)

**City of Long Beach Redevelopment Agency
Table IV - ROPS October 2011 - June 2012 Procedure C.6 Findings**

County of Los Angeles Auditor-Controller

ROPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Reportable Item Noted
106	Pine Avenue Residential Rehab	Comprehensive Housing Services	Labor compliance monitoring	\$ 50,625	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document. Furthermore, the agreement was entered into between the vendor and the City of Long Beach Housing Development Company or the City of Long Beach.
107	Senior Art Colony and Annex - Phase I	Comprehensive Housing Services	Labor compliance monitoring	70,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document. Furthermore, the agreement was entered into between the vendor and the City of Long Beach Housing Development Company or the City of Long Beach.
108	Senior Art Colony and Annex - Phase I	Long Beach Senior Artists Colony - LP Long Beach Regal	New senior affordable rental housing. 200 units. 100% affordable.	9,094,944	Agreement was entered into between the vendor and the City of Long Beach Housing Development Company or the City of Long Beach.
112	The Courtyards	Clifford Beers, Inc.	Affordable Housing Rehab Project	400,000	Agreement was entered into between the vendor and the City of Long Beach Housing Development Company or the City of Long Beach.
113	Washington School HAP Focus Area Scattered Sites Development	Habitat for Humanity of Greater Los Angeles	Development of three new single-family homes on Henderson and Chestnut, and the rehabilitation of the existing home at 1650 Magnolia, for low-income families.	285,200	Agreement was entered into between the vendor and the City of Long Beach Housing Development Company or the City of Long Beach.
117	Central/Downtown Parking Lots	Central Parking	Parking Lot Management	663,422	Obligation was transferred to another department and should be removed from the ROPS. MGO verified no payments were made.
122	Bikestation Long Beach	Public Works	Inspection services	24,879	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
143	3361 Andy Street	LBHDC	4-unit affordable housing rehab	462,180	No legal contract has been entered into. Obligation supported by budgeted amount for project approved by the Housing Development Company or RDA Board.

(Continued)

**City of Long Beach Redevelopment Agency
Table IV - ROPS October 2011 - June 2012 Procedure C.6 Findings**

County of Los Angeles Auditor-Controller

ROPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Reportable Item Noted
158	Artesia Blvd Median Improvement	Public Works	Plan Check, bidding, construction/project mngmnt	\$ 200,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
161	Atlantic Ave. Median Improvement	Public Works	Plan Check, bidding, construction/project mngmnt	250,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
162	Belwood Apartments	Hunt Capital Partners	Rehabilitation of 34 rental units for low-income households	5,900,000	No legal contract has been entered into. Obligation supported by budgeted amount for project approved by the Housing Development Company or RDA Board. Obligation disallowed by DOF and removed from ROPS.
163	Belwood Apartments	TBD	Labor Compliance Monitoring	58,000	No legal contract has been entered into. Obligation supported by budgeted amount for project approved by the Housing Development Company or RDA Board. Obligation disallowed by DOF and removed from ROPS.
169	Expo Building (4321 Atlantic)	City of Long Beach	Fire/Life Safety Renovations and Code Compliance	200,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
172	Fire Station 12	Kleinfelder	Inspection services	60,035	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
179	Orchard Supply Lease Agreement	Orchard Supply	Sales Tax Rebate	140,842	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
180	Oregon Park Development	City Development Dept.	City Plan Check/Permit/Inspection Fees	60,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
181	Oregon Park Development	LA County	Easement Agreement/Plan Check	50,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
183	Oregon Park Development	Public Works	Plan Check, bidding, construction/project mngmnt	350,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
185	Oregon Park Development	So Cal Edison	Reroute Utility/Plan Check	100,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
187	Ramona Park Apartments	Palm Desert Development Company	New 61-unit low income senior rental housing	12,400,000	No legal contract has been entered into. Obligation supported by budgeted amount for project approved by the Housing Development Company or RDA Board. Obligation disallowed by DOF and removed from ROPS.

(Continued)

**City of Long Beach Redevelopment Agency
Table IV - ROPS October 2011 - June 2012 Procedure C.6 Findings**

County of Los Angeles Auditor-Controller

ROPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Reportable Item Noted
190	Vons Lease Agreement	Vons	Sales Tax Rebate	\$ 391,737	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
196	Poly Gateway	Public Works	Construction Inspection / Mgmt.	12,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
219	Westside Storm Drain	AECOM	Phase 1,2&3 Design	85,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
221	Westside Storm Drain	Willdan Associates	Inspection services	121,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
222	Westside Storm Drain	Kleinfelder	Materials Observation / Testing	50,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.
223	Westside Storm Drain	Public Works	Engineering / Construction Mgmt. Services	30,000	Outstanding obligation amounts are estimates made by former redevelopment agency; amounts not specified in legal document.

(Continued)

City of Long Beach Redevelopment Agency
Table IV - ROPS October 2011 - June 2012 Procedure C.6 Findings
County of Los Angeles Auditor-Controller

ROPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Legal Document/ Auditor Recalculation	Variance
<i>Reportable item noted: Variance between the outstanding obligation per the initial ROPS and the legal document(s) and/ or Auditor recalculation</i>						
5	Affordable Housing Compliance Monitoring	City of Long Beach	Administer required Monitoring Program	\$ 116,725	\$ 128,285	\$ (11,560)
12	Art Projects	Arts Council for Long Beach	FY11 Contract for Art and Administration	237,949	247,925	(9,976)
19	Housing Services Bureau	110 Pine Avenue Holding LLC	110 Pine Suite 1200 lease	204,000	202,908	1,092
20	Neighborhood Enhancement Area	City of Long Beach, Development Services	Single Family Residential Rebate	344,907	314,742	30,165
21	Neighborhood Stabilization Program (NSP2)	Contractors	Single Family Rehabilitation Grants	1,312,949	1,357,344	(44,395)
26	Project Area Administration	Chicago Title Company	Title Services	55,000	50,000	5,000
28	Project Area Administration	CRA	Professional Development and Organizational Support	108,180	45,000	63,180
43	Project Area Administration	Lidgard & Associates	Appraisal services	565,000	75,000	490,000
57	1330 Gladys Avenue	Jesse Dean	Creative Office Tenant Improvement	124,788	123,688	1,100
63	3243 E. Anaheim	Howard CDM	Facade Improvement - Construction	119,289	106,788	12,501
70	Cherry Avenue Widening	Hit & Miss Enterprises/LA Superior Court	1925 E. PCH Goodwill	1,000,000	803,000	197,000
73	Coronado	Brookfield Homes	Development/Second Mortgage Assistance Loans - New affordable ownership condos. 48 units. 100% affordable.	7,847,784	5,370,199	2,477,586
74	Craftsman Park	Melendrez	Architectural Services/Project Management	62,000	60,639	1,361
75	Craftsman Park	Totum Corp.	Construction Manager	76,650	76,900	(250)
89	McBride Senior Center	Martinez Architects	Architect	127,128	127,580	(452)
92	Olive Court	Homebuyers	2nd Mortgage Assistance Loans-Low-Mod BEGIN funds	1,625,626	1,596,247	29,379
93	Orizaba Park Community Center	Fernald, Inc.	Architectural Services	261,263	234,565	26,698
94	Orizaba Park Community Center	Totum Corp.	Construction Mgmt. Services	253,944	279,000	(25,056)
96	Orizaba Park Expansion	Mackone Development, Inc.	Contractor	413,357	414,983	(1,626)
98	Orizaba Train - Art Fabrication	Patrick Vogel Design	Fabrication	65,000	62,844	2,156
100	Palace Hotel	LINC Housing	Affordable Housing Rehab Project	2,135,408	1,133,128	1,002,280
103	PE Row	Landmark Site Contractors	Contractor	160,000	225,837	(65,837)
112	The Courtyards	Clifford Beers, Inc.	Affordable Housing Rehab Project	400,000	493,000	(93,000)
113	Washington School HAP Focus Area Scattered Sites Development	Habitat for Humanity of Greater Los Angeles	Development of three new single-family homes on Henderson and Chestnut, and the rehabilitation of the existing home at 1650 Magnolia, for low-income families.	285,200	208,659	76,541
128	Downtown Long Beach Associates (DLBA) Support	DLBA	Economic Development, Marketing, Outreach, Special Events	550,431	2,180,444	(1,630,013)

(Continued)

**City of Long Beach Redevelopment Agency
Table IV - ROPS October 2011 - June 2012 Procedure C.6 Findings**

County of Los Angeles Auditor-Controller

ROPS No.	Project Name/ Obligation	Payee	Description	Total Outstanding Debt or Obligation	Legal Document/ Auditor Recalculation	Variance
<i>Reportable item noted: Variance between the outstanding obligation per the initial ROPS and the legal document(s) and/ or Auditor recalculation</i>						
132	Promenade North Block	ValleyCrest Landscape Development, Inc.	Streetscape improvements on The Promenade north block between First St. and Broadway	\$ 2,697,995	\$ 2,478,411	\$ 219,584
159	Atlantic Ave. Median Improvement	AECOM	Landscape Architect	99,772	65,653	34,119
164	Bixby Knolls Shopping Center	GASKA	Façade Improvement	800,000	500,000	300,000
166	Davenport Park Development	Bryan A Stirrat & Assoc.	Landfill Closure/Land Use Consultant	349,137	341,642	7,495
167	Davenport Park Development	LSA Associates	Prepare EIR	207,171	250,000	(42,829)
170	Fire Station 12	CBM Consulting, Inc.	Construction management	172,919	126,035	46,884
171	Fire Station 12	Gonzales Construction	Construction	4,724,384	4,529,464	194,920
174	Fire Station 12	Solis Group	Labor Compliance	54,000	24,000	30,000
176	Fire Station 12	Westnet	Alarm system	118,051	97,297	20,754
182	Oregon Park Development	RJM Design Group	Landscape Architect	53,300	53,385	(85)
186	Pass Through Payments	Various	FY11-12 Pass Through Payments - North Project Area	6,684,264	7,396,204	(711,940)
188	South Waterfront Hotels Street Improvement	Portside Partners (The Ensemble Group)	Public Improvement Reimb. Marriott and Hotel Maya	220,000	213,706	6,294
215	Convention Center	City of Long Beach	Convention Center expansion	538,181	537,019	1,162

Successor Agency – City of Long Beach

The results of those procedures performed by the Auditor-Controller (A-C) are as follows:

Procedure B.1.a

Inspect evidence that the successor agency was established by February 1, 2012.

Results

No exceptions were noted as a result of performing this procedure.

Procedure B.1.b

Inspect evidence that the oversight board members were appointed and their names were submitted to the Department of Finance (Finance) by May 1, 2012.

Results

No exceptions were noted as a result of performing this procedure.

Procedure C.1

Obtain a copy of the draft Recognized Payment Obligation Schedule (ROPS) from the successor agency.

Results

No exceptions were noted as a result of performing this procedure.

Procedure C.2

Inspect evidence that the initial draft ROPS was prepared by March 1, 2012 by the successor agency.

Results

No exceptions were noted as a result of performing this procedure.

Procedure C.3

Determine if the certified draft ROPS was approved by the oversight board. If the certified draft ROPS was not approved by the date of this report, we noted it as a finding.

Results

No exceptions were noted as a result of performing this procedure.

Procedure C.4

Determine if the draft ROPS was submitted to the County A-C, State Controller, and Finance.

Results

The draft ROPS was not submitted to the State Controller.

Procedure E.1

Obtain a copy of pass-through payment agreements from the successor agency.

Results

No exceptions were noted as a result of performing this procedure.

Procedure E.2

Obtain a list of pass-through obligations from the successor agency as of January 31, 2012, including the recipient and terms of each pass-through obligation.

Results

The City of Long Beach Successor Agency provided the A-C with verification of pass-through payments made for the period July to November 30, 2011, and provided a list of outstanding pass-through obligations.

Procedure E.3

Obtain a list of pass-through payments made between July 1, 2011 and January 31, 2012 and verified payments.

Results

As indicated above, the City of Long Beach Successor Agency provided verification of payment to Schools and Special Districts made for the period July 1, 2011 to November 30, 2011, and a list of the pass-through amounts outstanding. In addition, the A-C distributed the County Entities' share of pass-through payments for the period from November 1, 2011 to January 31, 2012. The amounts paid and owed are as follows:

Pass-through Taxing Entity	Pass-through Amount Paid	Pass-through Amount Owed
County Entities	\$2,026,197.84	\$345,548.15
City	0	630,185.67
Special Districts	143,497.23	1,456,006.55
Schools	2,883,138.35	1,277,272.20
TOTAL	\$5,052,833.42	\$3,709,012.57



**COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL**


648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

JOHN F. KRATTLI
County Counsel

July 25, 2012

TELEPHONE
(213) 974-1921
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(213) 617-7182
TDD
(213) 633-0901

TO: WENDY WATANABE
Auditor-Controller

FROM: JUDY W. WHITEHURST 
Assistant County Counsel
Government Services Division

RE: Legal Analysis of Long Beach City-Agency Loans

Pursuant to your request, our office performed a legal analysis to supplement the agreed-upon procedures audit conducted pursuant to Health & Safety Code section 34182(a). Specifically, you requested that we review a \$94,838,615 City loan and a \$2,013,281 City loan to determine whether they are "enforceable obligations" pursuant to ABx1 26 (Chapter 5, Statutes 2011) as amended by AB 1484 (Chapter 26, Statutes 2012). We have consulted with outside counsel and concur with their findings that neither loan is an enforceable obligation.

A. City/RDA Loan Agreement

Item no. 59 on the Long Beach Recognized Obligation Payment Schedule ("ROPS"), (Item 122 on the initial ROPS) is identified as a city loan, payable to the City of Long Beach ("City") for downtown redevelopment project area planning. Although there are multiple underlying documents, the key document that quantifies the total amount due is an Amended and Restated Loan Agreement ("Downtown Project Area") dated January 20, 2011 in the principle sum of \$94,838,615.49 ("City/RDA Loan Agreement"). This agreement was an amendment and restatement of obligations arising under the following documents and agreements:

1. September 11, 1974 Contract between the Redevelopment Agency of the City of Long Beach ("Agency") and City for City's advancement of funds and services to the Agency, as amended on December 5, 1977, July 11, 1978, and November 14, 1983, (collectively referred to as "Loan #DT3");

2. October 20, 1992 Loan Agreement between the Agency and City ("Loan #DT423");

3. October 2, 2002 Loan Agreement between the Agency and City ("Loan #DT562").

The City/RDA Loan Agreement consolidated Loans DT3, DT423 and DT562 into one principle obligation of \$94,838,615.49, payable at a compounded interest rate of three percent over a 20-year period commencing on October 1, 2011. Those prior loans represented advances from the City to the Agency to serve as seed capital to fund the cost of Agency activities. While the underlying loans may have been authorized at the time they were made, ABx1 26 voided the City/RDA Loan Agreement together with the underlying obligations.

Health & Safety Code section 34171(d)(2) states, in relevant part, "[f]or purposes of this part, 'enforceable obligation' does not include any agreements, contracts, or arrangements between the city or county, or city and county that created the redevelopment agency and the former redevelopment agency." Section 34178(a) takes this one step further, stating "[c]ommencing on the operative date of this part, agreements, contracts, or arrangements between the city or county, or city and county that created the redevelopment agency and the redevelopment agency are invalid and shall not be binding on the successor agency . . ."

The California Department of Finance has issued various memoranda addressing frequently asked questions common to the dissolution of redevelopment agencies. One memorandum specifically poses the question: "Can interagency loans be enforceable obligations?" The answer provided by the Department of Finance is as follows:

"Except for loan agreements made within the first two years of the life of the agency, or loans that relate to issued securities, the act does not recognize such loans to be enforceable obligations. Instead, effectively it treats them as contribution of funds."

The inclusion of the City/RDA Loan Agreement in the ROPS was defended by Counsel for the City, Rutan & Tucker, by means of a letter dated May 2, 2012, which was submitted to the Oversight Board. Although the letter vigorously defends the loan agreement, at page 4 it acknowledges that "ABx1 26 is ambiguous on this issue, but we are hopeful the ambiguity will be clarified by the Legislature in AB 1585. . . ." The letter further explains that were the City/RDA Loan Agreement "*not* listed on the ROPS there is a danger that funds

owing the City will be 'swept' to the Los Angeles County Auditor-Controller and disbursed to other taxing entities that are not entitled to receipt of the funds, which will result in accounting problems, confusion, potential offset of funds owing to the taxing entity at a later date, and even litigation." Therefore, it seems the City/RDA Loan Agreement was included in the Long Beach ROPS as a placeholder in the hopes that a legislative or judicial "fix" was imminent. Ultimately, it appears that the item was removed, because the final, ROPS dated May 23, 2012 does not include an item identifying a total obligation in the amount of \$94,838,615.49.

This analysis is unaffected by the June 27, 2012 enactment of AB 1484. Specifically, AB 1484 does not change the definition of an enforceable obligation. Further, Health & Safety Code section 34173(h), which authorizes loans between the city or county that authorized the creation of a redevelopment agency and successor agency for specific purposes, is not applicable because the loans at issue are between the City and former redevelopment agency. Therefore, the Loan Agreement is not an enforceable obligation.

B. Business Loan Agreement

We have also reviewed an obligation in the amount of \$2,013,281 payable to the City pursuant to an Amended and Restated Agreement to Fund City Business Loan Program dated October 1, 2000 ("Business Loan Agreement"). While we have not been able to locate that specific obligation on the Long Beach ROPS, it is our conclusion that the Business Loan Agreement would be unenforceable.

The Business Loan Agreement amended and restated a June 30, 1987 Agreement to Fund City Business Loan Program in the downtown and West Long Beach Industrial Redevelopment Project areas, as amended on October 7, 1988 and September 8, 1998. The crux of these agreements was that the City was to operate and administer certain commercial and industrial rehabilitation loan programs. The Agency agreed to reimburse the City for that portion of the loan program utilized in redevelopment project areas, including the cost of funding and administering loans and other obligations under such programs. Significantly, the Agency had no obligation to any third parties under the Business Loan Agreement. It was strictly an agreement between the City and the Agency to reimburse City costs and expenses.

As it is set forth in greater detail above, ABx1 26 invalidated such agreements between cities and their redevelopment agencies. As also explained above, the enactment of AB 1484 does not change, but instead reinforces our

conclusions. Accordingly, any obligations of the Agency to the City under the Business Loan Agreement is not enforceable pursuant to ABx1 26 and AB 1484.

JWW:SC:er



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 25, 2012

Dale L. Hutchinson, Administrator
City of Long Beach Successor Agency
333 W. Ocean Blvd, 3rd Floor
Long Beach, CA 90802

Dear Mr. Hutchinson:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Long Beach Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 23, 2012 for periods January to June 2012 and July to December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

HSC section 34171 (d) lists enforceable obligation (EO) characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as EOs:

- Administrative cost allowance in the amount of \$3,669,394 is denied in the January thru June 2012 ROPS. HSC section 34171 (b) limits the 2011-12 administrative cost allowance to five percent of the property tax allocated to the successor agency or \$250,000, whichever is greater. Five percent of the property tax allocated is approximately \$1,705,932 therefore; we are denying \$3,669,394 of the claimed \$5,375,326.
- Administrative cost allowance in the amount of \$2,308,827 is denied in the July thru December 2012 ROPS. HSC section 34171 (b) limits the 2012-13 administrative cost allowance to three percent of the property tax allocated to the successor agency or \$250,000, whichever is greater. Five percent of the property tax allocated is approximately \$974,156 therefore; we are denying \$2,308,827 of the claimed \$3,282,983.

Except for items disallowed in whole or in part as enforceable obligations noted above and in Finance's letter dated May 10, 2012, Finance is approving the remaining items listed in your ROPS for both periods. This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

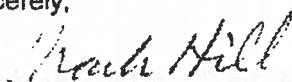
Mr. Hutchinson
May 25, 2012
Page 2

Please refer to Exhibit 12 at http://www.dof.ca.gov/assembly_bills_26-27/view.php for the amount of RPTTF that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. This amount is not and never was an unlimited funding source. Therefore as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available in the RPTTF.

Please direct inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,



MARK HILL
Program Budget Manager

cc: Mr. Robert M. Zur Schmiede, Deputy Director of Development, City of Long Beach
Ms. Kristina Burns, Program Specialist III, Los Angeles County