

C-14

December 13, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file annual reports on Community Facilities District No. 2007-1 – Douglas Park Commercial Area (CFD No. 2007-1); Community Facilities District No. 2007-2 – Belmont Shore (CFD No. 2007-2); Community Facilities District No. 5 – Long Beach Towne Center (CFD No. 5); Community Facilities District No. 6 – Pike Public Improvements (CFD No. 6); and, Community Facilities District No. 2011-1 Douglas Park – North of Cover Street Area (CFD No. 2011-1), to comply with the Local Agency Special Tax Bond and Accountability Act. (Districts 1, 3, 5)

DISCUSSION

The Local Agency Special Tax and Bond Accountability Act (Act) was enacted by the California State Legislature through Senate Bill 165 to provide accountability measures for any local special tax and/or bond measure subject to voter approval on or after January 1, 2001. The Act requires annual reporting to the City Council on Community Facilities District (CFD) project funds for Special Tax bonds issued after January 1, 2001. The Act also requires that the annual report contain a statement indicating the specific purposes of the Special Tax, a requirement that the proceeds of the Special Tax be applied for those purposes, that the funds be separately held, and the amount of funds collected and expended. This annual report requirement applies to CFD No. 2007-1 (Attachment A), CFD 2007-2 (Attachment B), CFD No. 5 (Attachment C), CFD No. 6 (Attachment D), and CFD No. 2011-1 (Attachment E). The issued bond amounts include funds for construction and/or improvements due to costs related to issuing the bonds and amounts required to be held in reserve accounts. Interest earned on funds is generally included in balances; see attachments for details.

The CFD No. 2007-1 - Douglas Park Commercial Area A Bonds totaling \$15.1 million were issued, of which \$12.9 million funded the acquisition and construction of various public improvements including sewer, water, roadway, and traffic signalization systems, installation of streetlights, and construction of dry utilities, and landscaping and irrigation improvements. CFD No. 2007-1 assesses Special Tax A for construction of infrastructure, debt service payments, and District administration costs. As of September 30, 2022, the Special Tax A balance is \$53,536. The District also assesses Special Tax B for infrastructure maintenance within the District. As of September 30, 2022, the Special Tax B balance is \$1,677,766.

The CFD No. 2007-2 – Belmont Shore 2009 Bonds totaling \$3.7 million were issued, of which \$3.2 million funded the acquisition of property for parking lot use, alleyway improvements and related costs, relocation of utilities, landscaping, signage, and other projects to provide public parking. As of September 30, 2022, the balance of \$34,183 remains for ongoing improvements in this area.

The CFD No. 5 - Long Beach Towne Center 2008 Refunding Bonds totaling \$14.6 million were issued, of which \$826,219 funded certain sidewalk and/or drainage improvements. The City used \$13.8 million of the 2008 bond to refund the outstanding 2000 bonds previously issued for the District by the City, among other related bond costs and reserves. The project was completed and no balance remains.

The CFD No. 6 – Pike Public Improvement Bonds totaling \$43 million were issued, of which \$32.1 million funded the acquisition, construction and installation of the Pike parking structure and the Catalina Landing parking lot, and ancillary improvements, which included storm drains, metered on-street parking stalls, installation of underground utilities and related improvements. The project was completed and no balance remains.

The CFD No. 2011-1 – Douglas Park - North of Cover Street Area has not issued any bonds. Although no bonds have been issued for this District, an annual report is included to show the assessed funds collected to date, and related expenses. As of September 30, 2022, the balance is \$460,848.

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony on November 17, 2022 and by Revenue Management Officer Geraldine Alejo on November 21, 2022.

TIMING CONSIDERATIONS

City Council action is requested on December 13, 2022, as State law requires the reports to be filed by the end of the calendar year.

FISCAL IMPACT

This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no fiscal or local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER

DIRECTOR OF FINANCIAL MANAGEMENT

ATTACHMENTS: A – 2007-1 DOUGLAS PARK ANNUAL REPORT
B – 2007-2 BELMONT SHORE ANNUAL REPORT
C – LONG BEACH TOWNE CENTER REFUNDING ANNUAL REPORT
D – PIKE PUBLIC IMPROVEMENTS ANNUAL REPORT
E – 2011-1 DOUGLAS NORTH OF COVER ANNUAL REPORT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

**Community Facilities District
No. 2007-1 Douglas Park – Commercial Area**

**2 0 2 2 A N N U A L
R E P O R T**

Senate Bill 165 enacted the Local Agency Special Tax and Bond Accountability Act codified in Government Code Sections 53410 through 53412. This Act requires that any local special tax/local bond measure subject to voter approval contain a statement indicating the purposes of the special tax, that the special tax proceeds apply to those purposes, creation of an account into which those proceeds are deposited, and requires an annual report with information on the use of proceeds.

This report intends to comply with Section 53411 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 53410.”

Special Tax A – Improvement Fund

The requirements of the Act apply to the Improvement/Construction/Facilities Fund of the following District as reported in prior years:

District	Date Bonds Issued	Initial Amount Improvement/Construction Fund	9/30/2022 Balance ⁽¹⁾	Expenditures to Date ⁽²⁾	Project Status
CFD No. 2007-1	July 2007	\$12,934,414	\$53,536	\$12,880,878	On-Going

(1) The balance is available for administrative costs associated with this district. All acquisition/construction funds have been spent. The collection of the Special Tax A will continue until bonds mature in September 2037.

(2) Expenditures to date are reduced by Interest earnings.

Special Tax B – Maintenance

Special Tax B serves to pay for ongoing services and maintenance of improvements within this District. Amounts are reported cumulatively.

District	Date of Formation	Cumulative Annual Levy ⁽¹⁾	9/30/2022 Balance	Expenditures to Date	Project Status
CFD No. 2007-1	March 6, 2007	\$1,880,888	\$1,677,766	\$203,122	On-Going

(1) The Special Tax B levy for FY2022 is \$133,337. No additional amount was spent on maintenance in 2022. Pending review of \$1.2 million of project costs for eligibility.

**Community Facilities District
No. 2007-2 Belmont Shore – 2009 Bonds**

**2 0 2 2 A N N U A L
R E P O R T**

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The requirements of the Act apply to the Improvement/Construction/Facilities Fund of the following District as reported in prior years:

District	Date Bonds Issued	Initial Amount Deposited To Improvement/Construction Fund	09/30/2022 Balance ⁽¹⁾	Expenditures to Date ⁽²⁾	Project Status
CFD No. 2007-2	11/19/2009	\$3,163,935	\$34,183	\$3,129,752	In Progress

- (1) Balance includes interest earnings.
- (2) Expenditures to date are reduced by interest earnings.

**Community Facilities District No. 5
Long Beach Towne Center Refunding**

**2 0 2 2 A N N U A L
R E P O R T**

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The requirements of the Act apply to the Improvement/Construction/Facilities Fund of the following District as reported in prior years:

District	Date Refunded Bonds Issued	Initial Amount Deposited To Improvement/Construction Fund	9/30/2022 Balance	Expenditures to Date ⁽¹⁾	Project Status
CFD No. 5 (Refunded)	5/22/2008	\$826,219	\$0	\$833,817	Complete

(1) Amount includes interest earnings. To meet State requirements, the same data has been reported since 2009.

**Community Facilities District No. 6
Pike Public Improvements**

**2 0 2 2 A N N U A L
R E P O R T**

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The requirements of the Act apply to the Improvement/Construction/Facilities Fund of the following District as reported in prior years:

District	Date Bonds Issued	Initial Amount Deposited to Improvement/Construction Fund	9/30/2022 Balance	Expenditures to Date	Project Status
CFD No. 6	7/11/2002	\$32,142,411	\$0	\$32,142,411	Complete

Note: To meet State requirements, the same data has been reported since 2011.

Interest Earnings on Improvement Fund Bond Proceeds:

District	Interest Earned on Improvement Bond Proceeds	9/30/2022 Earned Interest Balance	Earned Interest Expenditures To Date
CFD No. 6	\$363,433	\$0	\$363,433

Note: To meet State requirements, the same data has been reported since 2011.

**Community Facilities District
No. 2011-1 Douglas North of Cover**

**2 0 2 2 A N N U A L
R E P O R T**

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The scope of this Act was determined to apply to all Special Taxes to be used for improvements or maintenance within this District. There are no bonds issued on this district. The amounts below are reported cumulatively.

District	Date of Formation	Cumulative Annual Levy ⁽¹⁾	9/30/2022 Balance ⁽¹⁾	Expenditures to Date	Project Status
CFD No. 2011-1	February 2011	\$530,310	\$460,848	\$69,462	On-Going

(1) Amounts includes levy plus interest earnings. The levy is \$49,852 for 2022. Pending review of \$118,257 project costs for eligibility.