



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

R-17

September 2, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Approve the Andy Street Multi-family Improvement District Annual Report and Assessment for the period of October 1, 2008 through September 30, 2009, automatically extending the current agreement with the Andy Street Multi-family Improvement District for a one-year period. (District 9)

DISCUSSION

The Department of Community Development staff has assisted multi-family property and business owners in the area for the past several years with programs to reduce crime, enhance resident safety and to improve the economic vitality of area businesses. The enactment of the Multi-family Improvement District (MID) legislation in 2004 provided a new tool to make the improvement of the residential neighborhood more sustainable. The MID, much like Business Improvement Districts, allows the use of fee assessments to pay for capital improvements, as well as security services, common property management or landscaping services. The MID tool provides the flexibility and innovation necessary to respond to ever changing owner and resident needs.

At the request of the property and business owners in the Andy Street Multi-Family Improvement District (AMID), City Council adopted on April 10, 2007 a resolution of intention to establish the AMID. On June 5, 2007, the Long Beach City Council unanimously approved the creation of the AMID, which includes adjacent business owners who saw the benefit of joining the district.

Pursuant to the MID legislation, Andy Street neighborhood property and business owners assess themselves an additional fee to pay for supplemental security patrol to reduce crime, graffiti and illegal dumping. The law also requires that the AMID Advisory Board approve and file an Annual Report describing their projected budget and expenditures. The 2008-2009 Annual Report is attached for City Council approval. The levy of assessment will cover the period of October 1, 2008 through September 30, 2009.

HONORABLE MAYOR AND CITY COUNCIL
September 2, 2008
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The Board-approved AMID rate of assessment is based on the square footage of developed property within the boundaries as shown on the map in Section 4 of the attached Annual Report. The AMID Management Plan allows up to a four percent per year cost-of-living increase in the assessment rate. The actual local CPI increase for the most recent period is 3.3 percent. For Fiscal Year 2009, the AMID Board voted not to increase the assessment rate.

This letter was reviewed by Assistant City Attorney Heather Mahood on August 12, 2008, Budget Management Officer Victoria Bell on August 13, 2008, and the City Treasurer's Office on August 18, 2008.

TIMING CONSIDERATIONS

The AMID 2008 contract ends on September 30, 2008. City Council approval of the Annual Report and Assessment is requested on September 2, 2008 to continue the assessment and extend the contract for another year.

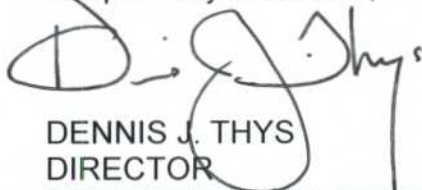
FISCAL IMPACT

Sufficient funds are included in the FY 09 Proposed Budget in the Parking and Business Area Improvement Fund (SR 132) in the Department of Community Development (CD). The contract amount will be fully offset by FY 09 estimated assessment revenue. There will be no impact on the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



DENNIS J. THYS
DIRECTOR
DEPARTMENT OF COMMUNITY DEVELOPMENT

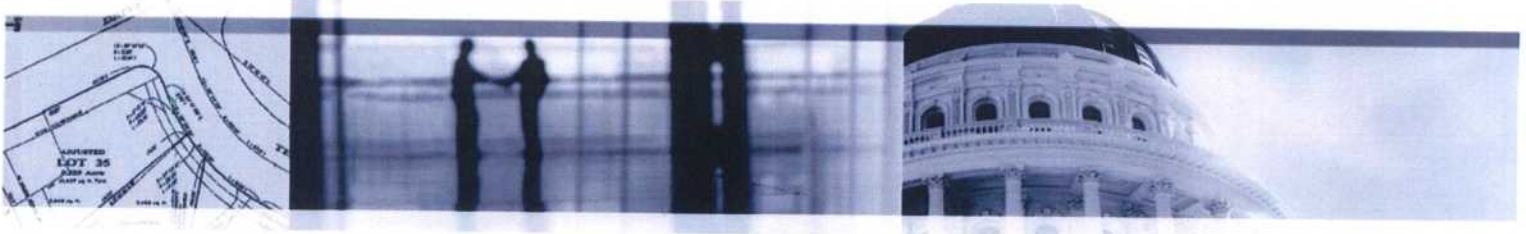
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9-2-08 Andy Street MD Annual Report v3.doc

Attachment: Andy Street Multi-Family Improvement District 2008/09 Annual Report

APPROVED:



PATRICK H. WEST
CITY MANAGER



**ANDY STREET
MULTI-FAMILY IMPROVEMENT DISTRICT
2008/09 ANNUAL REPORT**

Prepared for

CITY OF LONG BEACH

Submitted by



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IMPROVEMENT DISTRICT**

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Rae Gabelich, Eighth District
Val Lerch, Ninth District

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LaVerne Duncan, Housing Communications Officer
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NBS

Pablo Perez, Client Services Director
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1. INTRODUCTION

1.1 District Background

The purpose of the Andy Street Multi-Family Improvement District (the "District") is to improve neighborhood conditions for the residents of Andy Street and for surrounding business and property owners. To accomplish this, District revenue will fund security patrol services, property owner services, public space improvements, and resident programs within the District. In accordance with state law, the District has an initial term of five years beginning with the fiscal year 2007/08. The District may be renewed at the end of that term.

1.2 Services Provided

The Services to be provided in fiscal year 2008/09 include the supplemental security patrol program and additional security services designed to: support police and property owner crime prevention efforts, reduce graffiti, vandalism, and dumping.

1.3 Property Owner Levy Summary

For fiscal year 2008/09, 33 parcels within the District were levied for a total levy of \$92,760.86. For fiscal year 2008/09, the actual assessment rates remained the same as the previous fiscal year's actual assessment rates.

The table below provides the historical maximum assessment rates:

Fiscal Year	CPI Increase	Maximum Increase	Multi-Family (per parcel)	Commercial (per lot sq ft)	Commercial Max per parcel
2007/08	Base Year	Base Year	\$3,600.00	\$0.01500	\$2,400.00
2008/09	3.30%	3.30%	3,718.80	0.01549	2,479.20

The table below provides the historical actual assessment rates:

Fiscal Year	Allowable Increase	Actual Increase	Multi-Family (per parcel)	Commercial (per lot sq ft)	Commercial Max per parcel
2007/08	Base Year	Base Year	\$3,600.00	\$0.01500	\$2,400.00
2008/09	3.30%	0.00%	3,600.00	0.01500	2,400.00

1.4 Business Operator Levy Summary

The City of Long Beach (the "City") handles the business license levy in house. For fiscal year 2008/09, the assessment rates will remain the same as the prior fiscal year. The total amount to be collected from the business license levy for 2008/09 is \$5,838.80.

2. ESTIMATE OF COSTS

2.1 Current Year Budget

The following table provides the 2008/09 fiscal year budget:

Expense Category	Expense Detail	Budget
Security		\$76,000.00
Administration	Directors and Officers Ins	4,000.00
	Accounting/Tax Preparation	1,000.00
	Apartment Owners Assn Dues	500.00
	Postage, Printing and Copying	500.00
	Legal Expenses	1,000.00
	Telephone/Fax	790.00
	Utilities	0.00
	Tenant Programs/Activities	4,000.00
	Assessment Roll Consultant	3,720.00
	Staff (Contract)	6,088.36
	Contingency	1,001.30
TOTAL		\$98,599.66

There are no surplus or deficit revenues to be carried over from the previous fiscal year. There are no amounts that will be contributed from sources other than assessments levied within the District.

3. METHOD OF ASSESSMENT

Property owners and other District stakeholders emphasized that the assessment formula for the District be fair and equitable to all members of the District. The District has established an assessment on:

1. Andy Street Property Owners
2. Non Andy Street Property Owners
3. Business Licensees

Lot square footage and business use are relevant to the security benefit of District stakeholders and reflect the long-term value implications of the District. Because the security patrol is deemed to benefit each multi-family residential property owner, surrounding commercial property owners and neighborhood merchants, the equitable assessment methodology incorporates property size, use, and business operation type. Taking these factors into account the following method is used to determine the assessment:

1. Multi-family properties located along Andy Street were assessed at \$3,600 per parcel per year for the first year of the District.
2. Commercial properties located within the District boundaries are assessed at \$0.015 per lot square foot per year for the first year of the District. If the resulting assessment was in excess of \$2,400, the excess was eliminated and the property owner was assessed \$2,400 for the first year of the District. Non-profit corporations, including churches, operating within the District are subject only to the non-profit business license assessment amount listed below.
3. Licensed business operators within the District were assessed as follows for the first year of the District:

Category	Base Rate	Emp Rate
Financial/Banking & Insurance	\$200.00	\$10.00
Real Estate Offices and Consulting	200.00	10.00
Retail	150.00	10.00
Bar or Restaurant w/Alcohol	300.00	10.00
Restaurant Ready to Eat	200.00	10.00
Construction Contractor	175.00	10.00
Service	125.00	10.00
Professional	200.00	10.00
Non-Profit	125.00	NA
Miscellaneous Mobile, Rec/Ent Unique and Wholesale	125.00	10.00
Secondary Retail Service License	76.25	NA

Using the above methodology, the average Andy Street property owner was assessed \$3,600 for the first year of the District. Non Andy Street property owners were assessed no more than \$2,400 for the first year of the District. The relative benefit to business operators is considered less than that of district property owners; thus, the maximum annual merchant assessment was \$300 plus \$10 per employee for the first year of the District. Home based businesses are excluded.

Churches operating within the District paid the non-profit business license assessment amount of \$125 for the first year of the District.

3.1 CPI Adjustments

The maximum annual assessment is increased each year. The maximum annual assessment is increase by an amount equal to the annual change in the Consumer Price Index for All Urban Consumers in Los Angeles-Riverside-Orange County (CPI Adjustment) over the previous year's maximum annual assessment. The amount of the increase will not exceed four percent (4%) or be less than zero percent (0%) of the previous year's maximum annual assessment. The annual CPI Adjustment is calculated in March of each year for the preceding twelve (12) month period. The annual assessment levied each fiscal year is based upon the proposed budget for that fiscal year and may be less than the maximum annual assessment authorized by this section. Any assessment levied equal to or less than the amount defined as the maximum annual assessment in this section is not considered an "Increase to the Assessment" as defined in Proposition 218. The CPI increase for 2008/09 was 3.3%.

3.2 Assessment Factors for Clarification

With regard to property under the control of one who is not the owner of record, the following shall apply:

For purposes of assessment, a property is deemed to be under the control of a party other than the owner of record under the following circumstances:

1. where such party possesses a lease on the property for a term of not less than ten (10) years;
2. where the property is held in trust or by an estate for the benefit of another party;
3. or, where the property is owned by a corporation, a partnership, and/or comparable entity in which such party holds not less than 25% interest.

3.3 Time and Manner for Collecting Assessments

Property Assessment - As provided by state law, the District assessment appears as a separate line item on each property owner's annual secured property tax bill prepared by the County of Los Angeles.

Secured property tax bills are generally distributed in the fall, and payment is expected by lump sum or installment. The County of Los Angeles distributes the collected funds to the City of Long Beach, which then may allocate those funds.

Business Operator Assessment – Business Operator assessments are invoiced and due with annual City of Long Beach Business License renewal statements. Assessment revenue received is segregated into a special fund for transfer to the District advisory group.

3.4 General and Specific Benefit

The assessment formula is based upon the proportional special benefit conferred upon each assessed parcel and business operator. The property related service being provided shall provide no general benefit.

4. DISTRICT BOUNDARIES

The District is a 36 acre area of Long Beach, north of South Street along Downey Avenue up to 59th Street and including the portion of Andy Street west of Downey Avenue.

There are no proposed changes to the boundaries of the District.

The following page shows a diagram of the District boundaries. The lines and dimensions of parcels shown on maps of the County Assessor of the County of Los Angeles for the current year are incorporated herein by reference and are made part of this report.

The map displays the city of Long Beach, California, with various streets and business locations marked by colored dots. The streets shown include Obispo Ave, Downey Ave, 59th St, Hungerford St, Arabella St, Andy St, and South St. The map is divided into sections labeled 'CITY OF LONG BEACH' and 'CITY OF LAKEWOOD'. A legend in the bottom right corner identifies the business types represented by the dots:

- NON-RES SPACE RENTL (7)
- PROFESSIONAL (3)
- REC/ENTERTAINMENT (1)
- RES PROPERTY RENTAL (22)
- RETAIL (23)
- SERVICE (25)
- UNIQUE BUSINESSES (1)
- WHOLESALE (2)

Business locations were placed on parcels for clarity only. Positional accuracy was not maintained.



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L'ÉVOLUTION DE LA PENSÉE DE L'ÉCRIVAIN

5. ASSESSMENT ROLL

The following page shows the 2008/09 assessment roll for the District.

ANDY STREET IMPROVEMENT DISTRICT
Property Owner Assessment Roll

APN	OWNER	SITUS ADDRESS	LOT SQ FT	TYPE	TOTAL ASSESSMENT
7121-008-005	STEIGERWALD EILEEN D	3280 E 59TH ST	36,000	Commercial	\$540.00
7121-008-006	FINKLE LOUIS J	3300 E 59TH ST	36,000	Commercial	540.00
7121-008-007	FARRAH EDWARD & SHIRLEY D	3310 E 59TH ST	36,000	Commercial	540.00
7121-008-008	COMMUNITY GRACE BRETHERN CHURCH	5885 DOWNEY AVE	83,200	Exempt	0.00
7121-009-010	MATA SILVERIO	3351 E ANDY ST	5,828	Multi-Family	3,600.00
7121-009-012	USHER MARIO	3371 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-013	MATA SILVERIO	3381 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-014	MASTER AMIT	3391 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-015	NEVELS RENI L & STACI L	3401 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-016	SOM VOTHY C & SONY N	3421 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-017	WORSHAM FLOYD L	3441 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-018	AQUINO LAMBERTO D & ERLINDA V	3461 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-019	WORSHAM FLOYD L	3481 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-020	BROWN DARRYL & ANGEL B	3491 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-021	MATA SALVADOR & MARIA DE JESUS	3495 E ANDY ST	5,680	Multi-Family	3,600.00
7121-009-022	IGU AKACHUKWU A	3350 E ANDY ST	5,826	Multi-Family	3,600.00
7121-009-023	SKALIJ WALLY J JR	3360 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-024	WANG CHARLES	3370 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-025	IRONDI EZIHE	3380 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-026	SZETO YUEN M	3390 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-027	SZETO YUEN M	3400 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-028	TAING THOMAS K	3420 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-029	TAING RANDY C & ELAINE L	3440 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-030	OJEDA VICTOR M & MARTIN D	3460 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-031	WASHINGTON WOODS THERIA M	3480 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-032	TURNER TONY	3490 E ANDY ST	5,880	Multi-Family	3,600.00
7121-009-033	CRESCITELLI LUIS	3494 E ANDY ST	5,684	Multi-Family	3,600.00
7121-009-034	AMVETS DEPT OF CA SRV FOUNDATION	3315 E SOUTH ST	59,240	Commercial	888.60
7121-009-035	SHOOK MARK P	3321 E SOUTH ST	57,935	Commercial	869.02
7121-009-036	SHOOK MARK R	3331 E SOUTH ST	2,659	Commercial	39.88
7121-009-037	UNITED EL SEGUNDO INC	3495 E SOUTH ST	20,347	Commercial	305.20
7121-009-038	D AND S REAL ESTATE INVESTMENTS LLC	5815 DOWNEY AVE	15,877	Commercial	238.16
7121-009-042	PUBLIC STORAGE PROPERTIES VIII INC	3207 E SOUTH ST	205,875	Commercial	2,400.00
7121-009-900	LONG BEACH HOUSING DEVELOPMENT COMPANY	3361 E ANDY ST	5,880	Multi-Family	3,600.00
TOTAL					\$92,760.86

**Andy Street Improvement District
Merchant Assessment Roll**

BUSINESS	Business address	Type	Bus. Lic. No.	Emple	Base Ass	Imp Ass	Total Ass
SANTO NIÑO FAMILY DENTISTRY	3253 SOUTH ST J104	PROFESSIONAL		1	200	10 \$	210
COWBOY COUNTRY	3321 SOUTH ST	REC/ENTERTAINMENT		0	76.25	0 \$	76
COWBOY COUNTRY	3321 SOUTH ST	RETAIL		15	300	150 \$	450
ELBY'S LIQUOR	3337 SOUTH ST	RETAIL		2	150	20 \$	170
UNITED OIL #73	3495 SOUTH ST	RETAIL		4	150	40 \$	190
A & V PAWN SHOP	3323 SOUTH ST	RETAIL		5	150	50 \$	200
HOUSE OF FUNDUE RESTAURANT	3253 SOUTH ST J101	RETAIL		2	300	20 \$	320
BOY'S HAMBURGERS #8	5815 DOWNEY AVE	RETAIL		5	200	50 \$	250
SIZZLING WOK	3253 SOUTH ST J105	RETAIL		1	200	10 \$	210
P S ORANGECO INC	3207 SOUTH ST	RETAIL		3	150	30 \$	180
AFFORDABLE DME AND MEDICAL SUPPLIE	3253 SOUTH ST J103	RETAIL		1	150	10 \$	160
LINK STAFFING	3253 SOUTH ST J108	RETAIL		0	150	0 \$	150
UBUYWERUSH	3329 SOUTH ST	RETAIL		2	150	20 \$	170
L R STATUARY	3333 SOUTH ST	RETAIL		1	150	10 \$	160
SOUTH STREET THRIFT CENTER INC	3315 SOUTH ST	RETAIL		2	125	20 \$	145
KHA, CHAU MINH (Lovely Nails)	3253 SOUTH ST J106	SERVICE		0	76.25	0 \$	76
AUTHENTIC HAIR & BARBERING SALON	3325 SOUTH ST	SERVICE		0	76.25	0 \$	76
AUTHENTIC HAIR SALON	3325 SOUTH ST	SERVICE		0	76.3	0 \$	76
AUTHENTIC HAIR & BARBER	3325 SOUTH ST	SERVICE		0	76.25	0 \$	76
MABRY, MONIQUE (Authentic Hair)	3325 SOUTH ST	SERVICE		0	76.25	0 \$	76
AUTHENTIC HAIR & BARBERING SALON	3325 SOUTH ST	SERVICE		1	125	10 \$	135
COMPLETE BUSINESS SOLUTIONS	3255 SOUTH ST K205	SERVICE		2	125	20 \$	145
UNITED OIL 73	3495 SOUTH ST	SERVICE		0	76.25	0 \$	76
ABLE INC	3255 SOUTH ST K202	SERVICE		10	125	100 \$	225
BUDMAN, DAVID	3255 SOUTH ST K204	SERVICE		0	125	0 \$	125
LOVELY NAILS	3253 SOUTH ST	SERVICE		0	125	0 \$	125
LOVELY NAILS	3253 SOUTH ST J106	SERVICE		1	125	10 \$	135
PUBLIC STORAGE INC	3207 SOUTH ST	SERVICE		2	125	20 \$	145
COWBOY COUNTRY	3321 SOUTH ST	UNIQUE BUSINESSES		1	125	10 \$	135
R S G INC	3300 E 59TH ST	WHOLESALE		26	125	260 \$	385
WESTERN INTEGRATED MATERIALS INC	3310 E 59TH ST	WHOLESALE		26	125	260 \$	385
COMMUNITY GRACE BRETHREN CHURCH	5885 DOWNEY AVE	Non-Profit Church		0	125	0 \$	125
AMVETS DEPT OF CA SRV FOUNDATION	3315 E SOUTH ST	Non-Profit Church		0	125	0 \$	125
							\$ 5,838.80