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Title:	Recommendation to adopt resolution affirming prior Resolutions of Intention relating to the City of Long Beach Community Facilities District No. 2007-2 (Belmont Shore), and calling for a public hearing on the District for Tuesday, August 5, 2008 at 5:00 p.m. (District 3)				
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Date	Ver.	Action By	Action	Result
7/22/2008	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution affirming prior Resolutions of Intention relating to the City of Long Beach Community Facilities District No. 2007-2 (Belmont Shore), and calling for a public hearing on the District for Tuesday, August 5, 2008 at 5:00 p.m. (District 3)

In 1988, the City Council formed the City of Long Beach Community Facilities District NO.1 (Belmont Shore) (CFD 1) to provide a means to finance parking improvements in the Belmont Shore area of the City. CFD 1 was authorized to levy a special tax on commercial property located within CFD 1, and the revenues from that special tax, along with revenues derived from parking meters in the Belmont Shore area, have been used to finance various parking and related improvements, as well as to pay debt service on parking meter revenue bonds issued by the City in 1993 to finance parking improvements in that area. The Parking Commission has identified an additional parking lot located at 189 Park Avenue that it would like the City to acquire and improve in the Belmont Shore area and alley way improvements that need to be made to enhance parking in the area. CFD 1 does not have the authority to fund these new improvements. City staff, working with various financial and legal consultants, have determined that the most efficient and economical way to provide funds for the new improvements would be for the City to form a new community facilities district (CFD) under the authority of the City's Special Tax Financing Improvement Law to replace CFD 1, for the sole purpose of financing the purchase of the parking lot, refinancing the 1993 bonds and allowing for possible future financing of additional parking improvements. The boundaries (that set forth the area to be taxed by the CFD) and with maximum tax rates would be the same as those for CFD 1.

On November 13, 2007, the City Council adopted two resolutions of intention with respect to the formation of the new CFD. RES-07-1308 expressed the intention of the City Council to establish the new CFD No. 2007-2 (Belmont Shore), approved the boundaries for the proposed CFD, determined the rate and method of apportionment of special taxes to be levied in the new CFD and initiated proceedings to levy the special tax in the proposed CFD. RES-07-1309 declared the intention of the City Council for the CFD to have a maximum bonded indebtedness of \$5.8 million.

On December 11, 2007, the City Council held a public hearing regarding the CFD and, following the public hearing, the City Council adopted resolutions forming the CFD, determining the necessity to incur bonded indebtedness for the CFD and calling for a special election of the owners of property in the CFD for March 3, 2008. The election was concluded on March 3, 2008, and less than the required two-thirds of the votes cast in the election were in favor of the ballot propositions.

Under the voting procedure in effect for the March 3, 2008 election, and as required by the Long Beach Municipal Code (LBMC) in effect at that time, each owner of a parcel in the proposed CFD received one vote for each acre, or portion of an acre, of land in the CFD that they owned. This requirement resulted in those owning very small parcels having the same voting power as those with significantly larger parcels, or those who owned multiple small parcels that aggregated less than one acre. Thus, the owner of one small parcel that would have to pay only a small portion of the annual special tax in the proposed CFD had disproportionately larger voting power over those owners that would bear a significantly greater share of the annual special tax burden.

In order to remedy the unfair voting requirements, on May 13, 2008, the City Council adopted an ordinance which amended the LBMC to allow the City Council to authorize an alternative allocation of votes in CFD elections to better reflect the relative burden of CFD special taxes on the parcels to be included in a proposed CFD. Specifically, as amended by the ordinance, the LBMC now allows the City Council, in situations where the City Council finds that such alternative method of voting is more reflective of the burden of the special tax to be levied in the proposed CFD, to provide that each landowner in a proposed CFD have a vote for each dollar of special tax that may be levied on such landowner's land to be included in the proposed CFD. This is based on the proposed rate and method of apportionment of special tax for the proposed CFD and the special taxes thereby to be levied in the first full fiscal year following formation of the proposed CFD.

Various property owners in the proposed CFD have requested that the City Council now take action to bring the proposed Belmont Shore CFD back to a vote of the property owners to be included in the CFD, using the alternative voting procedure now allowed by the LBMC. In order to begin the process, the City Council is requested to adopt a resolution affirming the previously adopted resolutions of intention for the CFD, but with the alternative voting procedure to apply to the CFD. The resolution calls for a public hearing to be held on the proposed CFD at the August 5, 2008 City Council meeting, after which it is expected that the City Council would consider a resolution calling for a new election in the CFD to occur in the fall.

This matter was reviewed by Assistant City Attorney Heather A. Mahood on June 3, 2008 and Budget Management Officer Victoria Bell on June 9, 2008.

City Council action on this item is requested on July 22, 2008, to allow the process to have a new election for the CFD to occur in the fall, so that financing for the parking improvements by the proposed CFD can be obtained by the end of this calendar year.

There is no fiscal impact to the City associated with the requested action. All bond proceeds and revenue from the CFD will be collected in, and expended from, CFD trust accounts. All expenses related to the formation of the CFD will either be paid from the proceeds of bonds issued for the CFD or from amounts currently available in the Belmont Shore Parking Revenue Fund.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AFFIRMING
RESOLUTIONS OF INTENTION RELATING TO THE PROPOSED CITY OF LONG BEACH
COMMUNITY FACILITIES DISTRICT NO.
2007 -2 (BELMONT SHORE)

Lori Ann Farrell
Director Financial Management/CFO

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Director of Community Development

NAME
TITLE

APPROVED:

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