



Legislation Text

File #: 13-0592, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the hearing to consider the establishment of the Andy Street Property and Business Improvement District (APBID); direct City Clerk to tabulate the ballots and report the results of the tabulation to the Mayor and City Council during the July 16, 2013 City Council meeting; and, if a majority of ballots received are in favor of the establishment of the APBID, adopt resolution to establish the APBID for an initial term of five (5) years, effective January 1, 2014 through December 31, 2018. (District 9)

The Andy Street Multi-Family Improvement District (AMID) was created in 2007 to address issues of major and minor crime, particularly graffiti, illegal dumping, prostitution, and vandalism. At the time, the area was experiencing a significant amount of major crimes, including violent crimes against persons. The Police Department received an average of 55 calls for service every month. Residents and property owners, seeking a change, worked with the City to create the AMID.

Over the past five years, the AMID funds have been used to reduce crime, improve safety, and improve the economic vitality of the District. The Andy Street Community Association managed the District funds and programs. The AMID's security programs have been highly successful in improving the Andy Street area. Calls for service to the Police Department have been reduced significantly; for example, in May and June 2012 there were 16 calls each month, and in July, calls for service dropped to 12 calls. Notably, the incidence of major violent crimes has been nearly eliminated.

The AMID expired as of October 1, 2012, and in accordance with State Law, Multi-Family Improvement Districts require a majority of two-thirds (2/3) vote in support of reformation. That threshold was not met for the AMID re-establishment and, therefore, the AMID was formally disestablished by the City Council on March 19, 2013.

The State of California Property and Business Improvement District Law of 1994 (Section 33600 et seq. of the California Streets and Highways Code) and Article XIID of the California Constitution (Proposition 218) enables the City to create a property-based assessment district allowing property owners to voluntarily assess themselves for various services beyond those provided by the City, including public safety and beautification programs. All properties located within the boundaries of the proposed Andy Street Property and Business Improvement District (APBID) that receive special benefits, as determined by the Engineer's Report, must be allocated a proportional share of the assessment.

This proposed new APBID will provide clean and safe programs to benefit assessed Andy Street property owners for an initial period of five years. Developed by a coalition of property and business owners, the APBID is a benefit assessment district whose goal would be to improve the Andy Street area and will build upon the prior success of the AMID. The APBID is a modernization and

replacement of the former AMID. If established, the properties within the new District would be levied an assessment beginning in January 2014 for an initial period of five years, and ending December 31, 2018, in accordance with the methodology detailed in the Management Plan attached to the Resolution as Exhibit A.

Establishment of the APBID is accomplished through a majority vote of at least fifty percent (50%) of the property owners in favor of the proposed assessment for the new term. Pursuant to the California Constitution, the vote on a proposed special assessment must be weighted according to the proportional financial obligation of the affected properties. The assessment is based upon the special benefits each individual parcel receives, as determined by an independent Engineer's Report, pursuant to State law.

The APBID annual budget for the initial year of its five-year operation is anticipated to be \$94,500. The budget may be subject to an annual assessment rate increase of up to four percent (4%) per year. The annual assessment rate for parcels is based on parcel square footage and parcel use. Annual assessment rates for the initial year are:

Parcel Type	Annual Assessment Rate (Initial Year)
Parcels with Multi-family Residential Uses	\$0.66 per parcel square foot
Parcels Owned & Utilized by Non-Profit Entities	\$0.01 per parcel square foot

Bonds will not be issued as part of this APBID.

The APBID includes all parcels fronting Andy Street, and assessor's parcel number 7121-008-008. The City's estimated annual assessment amount is \$3,881 for Parcel APN 7121-009-045 owned by the Long Beach Housing Development Company. A detailed map of the District is included in the attached Management District Plan.

As approved by City Council action on May 21, 2013 (Resolution of Intention, Resolution Number RES-13-0040) and to comply with the California Constitution, a notice of assessment and an assessment ballot were mailed to property owners who were proposed to be assessed. At the conclusion of this public hearing, an independent third party will tabulate the votes, and will return to City Council during this July 16, 2013 meeting to announce the results. If a majority of ballots received (with ballots weighted by assessment amount) are in favor of the establishment of the APBID, the City Council may proceed with the adoption of the Resolution establishing the APBID. If a majority of the ballots received do not support the establishment of the APBID, then the APBID cannot be established.

This matter was reviewed by Assistant City Attorney Charles Parkin on May 23, 2013 and Budget Management Officer Victoria Bell on June 11, 2013.

On May 21, 2013, the City Council adopted a Resolution of Intention setting the date of July 16,

2013 for the public hearing to allow completion of the balloting process. If the Resolution to establish the APBID is adopted, the submittal of the levy to the Los Angeles County Assessor is required prior to August 9, 2013, and the properties within the District would be levied an assessment beginning in January 2014, in accordance with the methodology detailed in the Management Plan.

The FY 14 assessment is estimated to be \$94,500 and will be fully offset by revenue from properties within the APBID. If the APBID is established, FY 14 revenue and expenditures will accrue in the Parking and Business Area Improvement Fund (SR 132) in the Department of Public Works (PW). The City's proposed assessment of \$3,881 will be paid by the Long Beach Housing Development Company. The amount is budgeted in the Housing Development Fund (SR 135) in the Development Services Department (DV) and is offset by rental income from the property. An appropriation increase is not requested at this time, but will be requested as part of FY 14 proposed budget. There is no fiscal impact to General Fund. Approval of the recommendation will result in a positive local job impact.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH ESTABLISHING THE
ANDY STREET PROPERTY AND BUSINESS IMPROVEMENT DISTRICT, FIXING THE
BOUNDARIES THEREOF AND PROVIDING FOR THE LEVY OF ASSESSMENT

ARA MALOYAN, PE
ACTING DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST
CITY MANAGER