

CITY OF LONG BEACH

R-18

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 4th Floor Long Beach, CA 90802 (562) 570-5237 Fax: (562) 570-6205

September 20, 2011

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, 2011 through September 30, 2012, automatically extending the Andy Street Multi-family Improvement District for a one-year period. (District 9)

DISCUSSION

The Department of Development Services staff has assisted multi-family property and business owners in the Andy Street neighborhood for the past several years with programs to reduce crime, enhance resident safety and to improve the economic vitality of adjacent businesses. The enactment of the Multi-family Improvement District (MID) legislation in 2004 provided a new tool to make the improvement of residential neighborhoods 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 the ever-changing needs of owners and residents.

At the request of the property and business owners in the Andy Street Multi-Family Improvement District (AMID), City Council adopted a resolution of intention to establish the AMID on April 10, 2007. 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 services including 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 its projected budget and expenditures. On June 20, 2011, the AMID Board approved a four percent increase to the assessment fees, the first increase since the initial year of the AMID. The increase is based on the adopted AMID Management Plan and Engineer's Report, and the recommendation of NBS, the City's advisor for improvement districts. The 2011-2012 Annual Report is attached for City Council approval. The levy of assessment will cover the period of October 1, 2011 through September 30, 2012.

HONORABLE MAYOR AND CITY COUNCIL

September 20, 2011

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This matter was reviewed by Deputy City Attorney Richard Anthony on August 25, 2011, Budget Management Officer Victoria Bell on September 6, 2011, and City Treasurer David Nakamoto on August 29, 2011.

TIMING CONSIDERATIONS

City Council approval of the Annual Report and Assessment is requested on September 20, 2011 to extend the contract for another year and to continue the assessment, effective October 1, 2011.

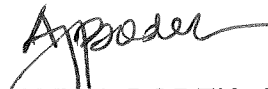
FISCAL IMPACT

The estimated budget for AMID is \$111,652 for fiscal year October 1, 2011 through September 30, 2012. When the exact budget amount is known, the Department will return to Council to request full appropriation in the FY 12 budget in the Parking and Business Area Improvement Fund (SR 132) in the Department of Development Services (DV). The proposed expenses will be fully offset by FY 12 estimated assessment revenues. There will be no impact to the General Fund. No jobs will be created through this action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

AJB:ET:ld

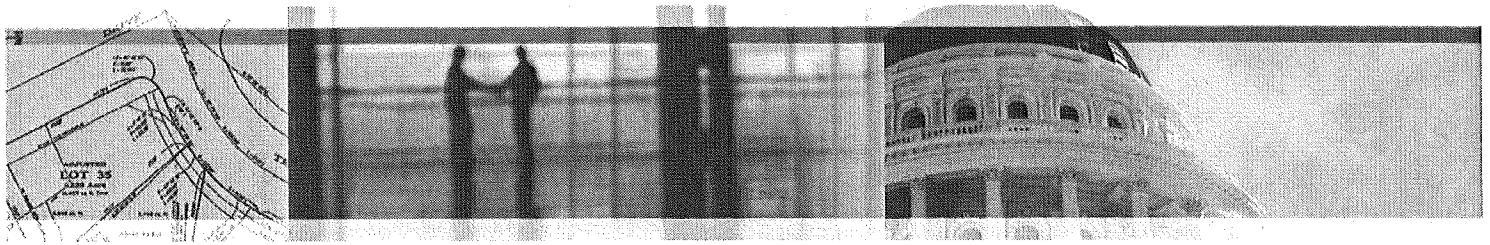
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Attachment: Andy Street Multi-Family Improvement District 2011/12 Annual Report

APPROVED:



PATRICK H. WEST
CITY MANAGER

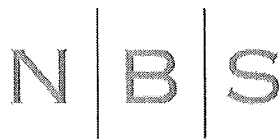


**ANDY STREET
MULTI-FAMILY IMPROVEMENT DISTRICT
2011/12 ANNUAL REPORT**

Prepared for

CITY OF LONG BEACH

Submitted by



Main Office

32605 Temecula Parkway, Suite 100
Temecula, CA 92592
800.676.7516 phone

Regional Office

870 Market Street, Suite 1223
San Francisco, CA 94102
800.434.8349 phone

**CITY OF LONG BEACH
HOUSING SERVICES BUREAU
ANDY STREET MULTI-FAMILY
IMPROVEMENT DISTRICT**

**110 Pine Avenue, 12th Floor
Long Beach, CA 90802
Phone – (562) 570-3824
Fax – (562) 499-1021**

CITY COUNCIL

Robert Garcia, First District
Suja Lowenthal, Second District
Gary DeLong, Third District
Patrick O'Donnell, Fourth District
Gerrie Schipske, Fifth District
Dee Andrews, Sixth District
James Johnson, Seventh District
Rae Gabelich, Eighth District
Steven Neal, Ninth District

CITY STAFF

LaVerne Duncan, Housing Communications Officer
Courtney Richards, Community Development Analyst

NBS

Pablo Perez, Client Services Director
Trevor Speer, Senior Consultant

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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 2011/12 include landscaping, the resident improvement program, 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 2011/12, 33 parcels within the District were levied for a total levy of \$96,471.28. The 2011/12 actual assessment rates were increased by 4% over 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	3.28%	3.28%	3,718.15	0.01549	2,478.77
2009/10	-1.00%	0.00%	3,718.15	0.01549	2,478.77
2010/11	1.86%	1.86%	3,787.13	0.01578	2,524.75
2011/12	2.997%	2.997%	3,900.64	0.01625	2,600.42

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	3.28%	0.00%	3,600.00	0.01500	2,400.00
2009/10	3.28%	0.00%	3,600.00	0.01500	2,400.00
2010/11	5.20%	0.00%	3,600.00	0.01500	2,400.00
2011/12	8.35%	4.00%	3,744.00	0.01560	2,496.00

1.4 Business Operator Levy Summary

The City of Long Beach (the "City") handles the business license levy in house. For fiscal year 2011/12, the assessment rates will be increased. The total amount to be collected from the business license levy for 2011/12 is estimated to be \$5,859.36.

The table below shows the fiscal year 2011/12 business license assessment rates:

Category	Base Rate	Emp Rate
Financial/Banking & Insurance	\$206.00	\$10.30
Real Estate Offices and Consulting	206.00	10.30
Retail	154.50	10.30
Bar or Restaurant w/Alcohol	309.00	10.30
Restaurant Ready to Eat	206.00	10.30
Construction Contractor	180.25	10.30
Service	128.75	10.30
Professional	206.00	10.30
Non-Profit	128.75	NA
Miscellaneous Mobile, Rec/Ent Unique and Wholesale	128.75	10.30
Secondary Retail Service License	78.54	NA

2. ESTIMATE OF COSTS

2.1 Current Year Budget

The following table provides the fiscal year 2011/12 budget:

Expense Category	Expense Detail	Budget Amount
Security		\$63,440.00
Administration	Directors and Officers Ins	4,160.00
	Accounting/Tax Preparation	2,600.00
	Apartment Owners Assn Dues	520.00
	Postage, Printing and Copying	520.00
	Legal Expenses	2,600.00
	Telephone/Fax	821.60
	Landscaping	12,480.00
	Tenant Programs/Activities	4,160.00
	Assessment Roll Consultant	3,868.80
	Staff (Contract)	6,118.90
	Contingency	1,041.34
	Quality of Life Programs	9,322.00
TOTAL		\$111,652.64

Surplus revenues of approximately \$9,322 will be carried over from the previous fiscal year. There are no amounts that will be contributed from sources other than assessments (and any delinquent penalty and interest amounts thereon) 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 that \$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 from the assessment.

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 increased 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 2011/12 was 2.997%.

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.

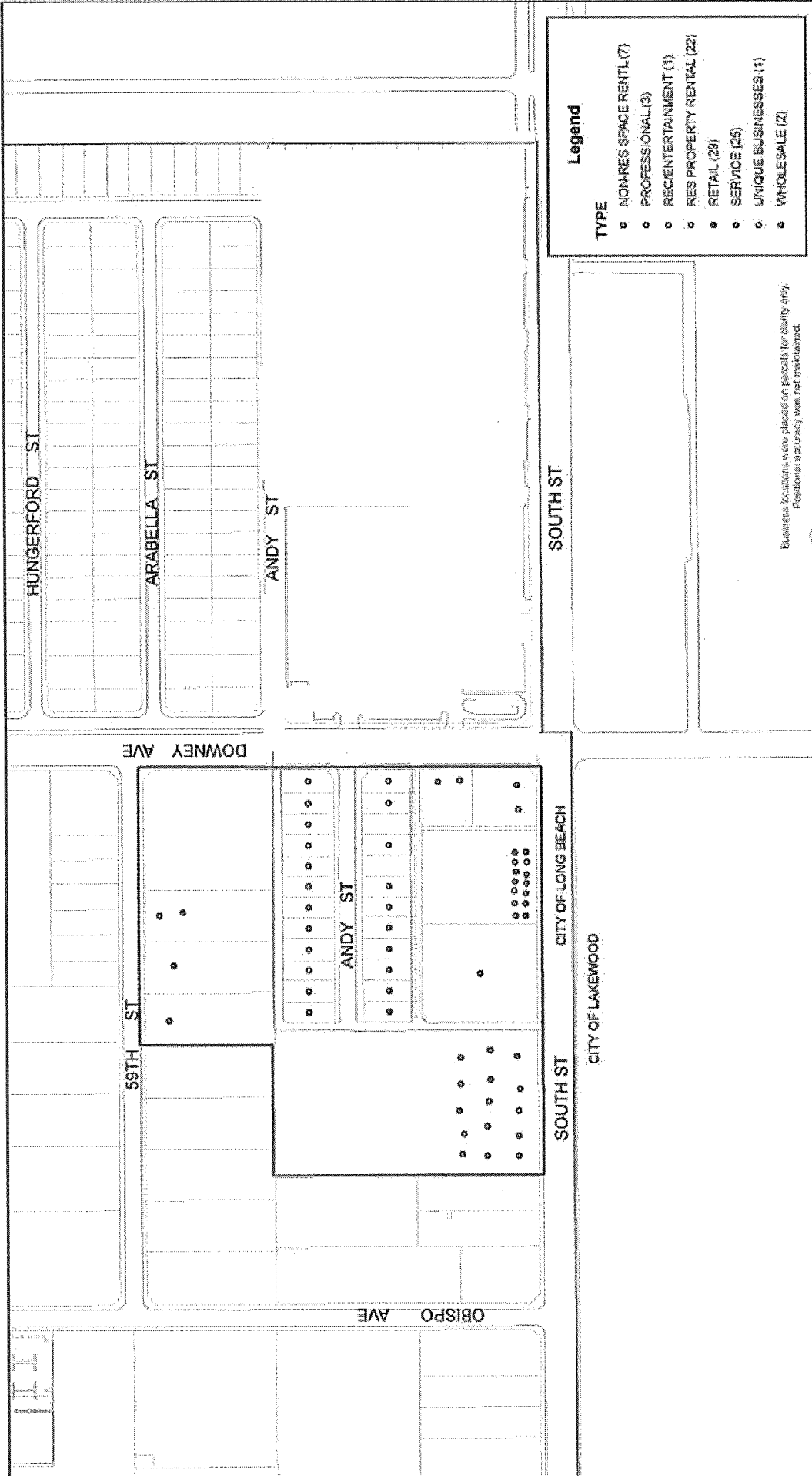
4. DISTRICT BOUNDARIES

The District is a 16 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.

**CITY OF LONG BEACH
 BUSINESS LICENSES FOR PROPOSED ANDY STREET BUSINESS IMPROVEMENT
 ASSESSMENT DISTRICT SOUTH ST - DOWNEY AVE**



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



5. ASSESSMENT ROLL

The following pages show the 2011/12 Property Owner and Merchant assessment rolls 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 & STEIGERWALD DOUGL	3280 E 59TH ST	36,000	Commercial	\$561.60
7121-008-006	FINKLE LOUIS J	3300 E 59TH ST	36,000	Commercial	561.60
7121-008-007	FARRAH EDWARD & SHIRLEY D & FARRAH FAMIL	3310 E 59TH ST	36,000	Commercial	561.60
7121-008-008	COMMUNITY GRACE BRETHREN CHURCH	5885 DOWNEY AVE	83,200	Exempt	0.00
7121-009-010	MATA SILVERIO	3351 E ANDY ST	5,828	Multi-Family	3,744.00
7121-009-012	USHER MARIO & GEE IAN	3371 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-013	MATA SILVERIO	3381 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-014	MASTER AMIT	3391 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-015	NEVELS RENI L & STACI L & NEVELS FAMILY	3401 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-016	SOM SINA	3421 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-017	WORSHAM FLOYD L	3441 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-018	AQUINO LAMBERTO D & ERLINDA V	3461 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-019	WORSHAM FLOYD L	3481 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-020	BROWN DARRYL & ANGEL B	3491 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-021	MATA SALVADOR & MARIA DE JESUS	3495 E ANDY ST	5,680	Multi-Family	3,744.00
7121-009-022	OWAIRU SUNDAY O	3350 E ANDY ST	5,826	Multi-Family	3,744.00
7121-009-023	SKALIJ WALLY J JR	3360 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-024	WANG CHARLES	3370 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-025	CHAN WOO KANG	3380 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-026	ROSAS EDMUNDO & AMELIA	3390 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-027	DANA HUYNH LLC	3400 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-028	TAING THOMAS K & TAING CHHOUR FAMILY TRU	3420 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-029	TAING RANDY C & ELAINE L	3440 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-030	OJEDA VICTOR M & MARTIN D	3460 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-031	WASHINGTON WOODS THERIA M	3480 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-032	KANG CHAN W	3490 E ANDY ST	5,880	Multi-Family	3,744.00
7121-009-033	CRESCITELLI LUIS & MATA SALVADOR	3494 E ANDY ST	5,684	Multi-Family	3,744.00
7121-009-034	AMVETS DEPT OF CA SRV FOUNDATION	3315 E SOUTH ST	59,240	Commercial	924.14
7121-009-035	MARK R SHOOK LLC	3321 E SOUTH ST	57,935	Commercial	903.78
7121-009-036	MARK R SHOOK LLC	3331 E SOUTH ST	2,659	Commercial	41.48
7121-009-037	UNITED EL SEGUNDO INC	3495 E SOUTH ST	20,347	Commercial	317.40
7121-009-038	D AND S REAL ESTATE INVESTMENTS LLC	5815 DOWNEY AVE	15,877	Commercial	247.68
7121-009-042	PUBLIC STORAGE PROPERTIES VIII INC	3207 E SOUTH ST	205,875	Commercial	2,496.00
7121-009-900	LONG BEACH HOUSING DEVELOPMENT COMPANY	3361 E ANDY ST	5,880	Multi-Family	3,744.00
TOTAL					\$96,471.28

ANDY STREET IMPROVEMENT DISTRICT
Merchant Assessment Roll

Business	Business address	Type	Employees	Base Assessment	Employee Assessment	Total Assessment
SANTO NINO FAMILY DENTISTRY	3253 SOUTH ST J104	PROFESSIONAL	1	205.99	10.30	\$216.29
COWBOY COUNTRY	3321 SOUTH ST	REC/ENTERTAINMENT	0	78.54	0.00	78.54
COWBOY COUNTRY	3321 SOUTH ST	RETAIL	15	308.99	154.50	463.49
ELBY'S LIQUOR	3337 SOUTH ST	RETAIL	2	154.50	20.60	175.10
UNITED OIL #73	3495 SOUTH ST	RETAIL	4	154.50	41.20	195.70
A & V PAWN SHOP	3323 SOUTH ST	RETAIL	5	154.50	51.50	206.00
HOUSE OF FUNDUE RESTAURANT	3253 SOUTH ST J101	RETAIL	2	308.99	20.60	329.59
BOY'S HAMBURGERS #8	5815 DOWNEY AVE	RETAIL	5	205.99	51.50	257.49
SIZZLING WOK	3253 SOUTH ST J105	RETAIL	1	205.99	10.30	216.29
P S ORANGE CO INC	3207 SOUTH ST	RETAIL	3	154.50	30.90	185.40
AFFORDABLE DME AND MEDICAL SUPPLIES INC	3253 SOUTH ST J103	RETAIL	1	154.50	10.30	164.80
LINK STAFFING SERVICES	3255 SOUTH ST K205	SERVICE	0	154.50	0.00	154.50
UBUYWERUSH	3329 SOUTH ST	RETAIL	2	154.50	20.60	175.10
L R STATUARY	3333 SOUTH ST	RETAIL	1	154.50	10.30	164.80
SOUTH STREET THRIFT CENTER INC	3315 SOUTH ST	RETAIL	2	128.75	20.60	149.35
KHA, CHAU MINH	3253 SOUTH ST J106	SERVICE	0	78.54	0.00	78.54
AUTHENTIC HAIR & BARBERING SALON	3325 SOUTH ST	SERVICE	0	78.54	0.00	78.54
AUTHENTIC HAIR SALON	3325 SOUTH ST	SERVICE	0	78.54	0.00	78.54
AUTHENTIC HAIR & BARBER	3325 SOUTH ST	SERVICE	0	78.54	0.00	78.54
MABRY, MONIQUE	3325 SOUTH ST	SERVICE	0	78.54	0.00	78.54
AUTHENTIC HAIR & BARBERING SALON	3325 SOUTH ST	SERVICE	1	128.75	10.30	139.05
COMPLETE BUSINESS SOLUTIONS	3255 SOUTH ST K205	SERVICE	2	128.75	20.60	149.35
UNITED OIL 73	3495 SOUTH ST	SERVICE	0	78.54	0.00	78.54
ABLE INC	3255 SOUTH ST K202	SERVICE	10	128.75	103.00	231.75
BUDMAN, DAVID	3255 SOUTH ST K204	SERVICE	0	128.75	0.00	128.75
LOVELY NAILS	3253 SOUTH ST	SERVICE	0	128.75	0.00	128.75
LOVELY NAILS	3253 SOUTH ST J106	SERVICE	1	128.75	10.30	139.05
PUBLIC STORAGE INC	3207 SOUTH ST	SERVICE	2	128.75	20.60	149.35
COWBOY COUNTRY	3321 SOUTH ST	UNIQUE BUSINESSES	1	128.75	10.30	139.05
R S G INC	3300 E 59TH ST	WHOLESALE	26	128.75	267.79	396.54
WESTERN INTEGRATED MATERIALS INC	3310 E 59TH ST	WHOLESALE	26	128.75	267.79	396.54
COMMUNITY GRACE BRETHREN CHURCH	5885 DOWNEY AVE	Non-Profit Church	0	128.75	0.00	128.75
AMVETS DEPT OF CA SRV FOUNDATION	3315 E SOUTH ST	Non-Profit Church	0	128.75	0.00	128.75
TOTAL						\$5,859.36