



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6277 • Fax (562) 570-5836

December 12, 2017

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 2, 3, 5)

DISCUSSION

The Accountability 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. This requires the City to submit an annual report on Community Facilities District (CFD) project funds to the City Council for CFD Special Tax bonds issued after January 1, 2001. The Accountability 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 only 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, construction of various public improvements including sewer, water, roadway, and traffic signalization systems, installation of street lights and construction of dry utilities and landscaping and irrigation improvements. CFD 2007-1 assesses Special Tax A for construction of infrastructure, debt service payments and District administration costs. As of September 30, 2017, the Special Tax A fund balance is \$51,413.

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The District also assesses Special Tax B for infrastructure maintenance within the District. Use of remaining funds is under review with District consultants and bond counsel to identify allowable purposes that advance improvements and/or pay down debt. The Special Tax B balance is \$910,319.

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, 2017, there is a remaining balance of \$686,801 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 2008 bond funds to pay off 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, 2017, the balance is \$212,625.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on November 27, 2017 and by Assistant Finance Director Lea Eriksen on November 20, 2017.

TIMING CONSIDERATIONS

City Council action is requested on December 12, 2017, as State law requires the reports to be filed by the end of the calendar year.

FISCAL IMPACT

There is no fiscal or local job impact associated with this recommendation.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



**JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT**

JG:DN:FA:EG
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ATTACHMENTS

APPROVED:


**PATRICK H. WEST
CITY MANAGER**

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

2 0 1 7 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	9/30/2017 Balance ⁽¹⁾	Expenditures to Date ⁽²⁾	Project Status
CFD No. 2007-1	July 2007	\$12,934,414	\$51,413	\$12,883,001	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⁾	9/30/2017 Balance ⁽²⁾	Expenditures to Date	Project Status
CFD No. 2007-1	March 6, 2007	\$1,113,381	\$ 910,319	\$203,061	On-Going

(1) The Special Tax B levy for FY2017 is \$121,358. No additional amount was spent on maintenance in 2017.

(2) The balance includes interest earnings.

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

2 0 1 7 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.

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

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	9/30/2017 Balance ⁽¹⁾	Expenditures to Date ⁽²⁾	Project Status
CFD No. 2007-2	11/19/2009	\$3,163,935	\$686,801	\$2,477,134	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 1 7 A N N U A L
R E P O R T**

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

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	9/30/2017 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 1 7 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	9/30/2017 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	9/30/2017 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 1 7 A N N U A L
R E P O R T**

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

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⁾	9/30/2017 Balance ⁽¹⁾	Expenditures to Date ⁽³⁾	Project Status
CFD No. 2011-1	February 2011	\$278,402	\$ 212,625	\$65,777	On-Going

(1) Amounts includes levy plus interest earnings.

(2) Expenses include administrative costs and county fees.