

# CITY OF LONG BEACH

# H-2

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard, 6th Floor ♦ Long Beach, CA 90802

July 22, 2008

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Conduct a hearing on the proposed levy of a new special parcel tax, receive supporting documentation into the record, conclude the hearing; and adopt the attached Resolution calling for an election on November 4, 2008, for the purpose of authorizing such levy (Long Beach Infrastructure Reinvestment Act). (Citywide)

## DISCUSSION

On August 21, 2007, City staff presented to the City Council a comprehensive assessment of the City's transportation infrastructure and facility needs, a summary of potential funding sources, and recommendations for funding strategies. This presentation served as a catalyst for further research and discussion, which included a City Council Study Session on December 18, 2007 highlighting the status of specific capital projects to date. Since that time, staff has been compiling a detailed list of priority infrastructure and facility projects as well as researching the various financing options.

### Critical Infrastructure Needs

The August 21, 2007 report to the City Council, "A City in Need of Capital Investment," consolidated the work of numerous independent assessments and engineering studies, documented the poor condition of the City's streets, sidewalks, alleys, stormwater collection systems, public buildings, parks, libraries (collectively, "infrastructure"), and demonstrated a need for additional revenue to address these critical deficiencies. Some of the key findings of the report were:

- Only 49 percent of the arterial streets and 36 percent of the local streets have a condition rating of "Good" or "Very Good" as measured by the Pavement Condition Index (PCI).
- Thirty (30) percent of the City's storm drain facilities are undersized, a condition directly attributable to the City's development over the past 30 years.

- Many of the City's public buildings are rated as "poor" and have exceeded their useful life and may need to be shut down if not rehabilitated or replaced.
- Many of the City's fire stations were constructed in the early to mid-1900's and are inadequate to meet current building standards, gender equality requirements, and ever-increasing public safety demands, and may not survive a significant seismic event or be able to contain all of the equipment necessary to respond most effectively in the event of a major emergency or disaster.
- Ninety (90) percent of asphalt alleys and 12 percent of concrete alleys have outlived their useful life, and need to be replaced.
- Over 160 miles of sidewalks are in need of replacement or repair.

All residents and businesses in the City benefit from decent, safe, sanitary, and optimally functioning infrastructure and the resulting elimination of blighting influences, reduction of crime rates, enhancement of property values, and an improvement of their overall quality of life. Additionally, the City's economic health, as evidenced by the retention of existing and attraction of new businesses, increased convention activities, and increased cultural and recreational tourist levels, is directly affected by the condition of its infrastructure.

#### Identified Funding Shortfall

Based on an extensive analysis, staff has identified \$836.7 million in priority infrastructure needs throughout the City, not including the Civic Center. However, projected federal, state, county and local funding sources will only be able to support approximately 32 percent of these costs, or \$265.4 million, over the next ten years. While the City does receive funding from a variety of sources, those sources of funding are restricted to only certain types of infrastructure, are not all recurring sources of revenue, and/or are insufficient to meet all of the City's infrastructure needs. For example, there is no annually recurring source of funding from federal, state, county or local sources for the City's alleys, libraries, fire facilities, police facilities, or health facilities.

In addition, while certain funding streams may be available annually, the current annual allocation of approximately \$15.9 million for streets is comprised of a patchwork of seven separate revenue sources with disparate eligibility criteria, funding parameters and expenditure restrictions that may not coincide with the actual needs of the City. For example, eligible funding sources for local residential streets fall far short of addressing neighborhood needs. More importantly, available funding still falls short of the amount needed annually to replace the City's aged streets by approximately \$12 million.

As such, \$571.3 million in unfunded, priority infrastructure needs for the next ten years have been identified (Attachment A). The comprehensive list of projects that comprise this number represents the culmination of more than two years of analysis by City departments and outside experts. A significant investment must be made in these vital assets. Waiting

for the next regularly scheduled City election in April 2010 will contribute to the continued deterioration of these assets resulting in even more costly repairs in the future, potential service interruptions to residents, continued property damage claims against the City, increased costs to lease more suitable facilities and the continued negative impact of rapidly deteriorating City assets. The City's total unmet needs are summarized as follows:

<b>INVESTING IN OUR INFRASTRUCTURE</b>			
	Capital Needs	Anticipated Funding	Unmet Need
Streets, Sidewalks & Alleys	\$ 275,160,552	\$ 116,085,552	\$ 159,075,000
Public Safety Facilities	\$ 237,131,561	\$ 85,400,000	\$ 151,731,561
Coastal Water Quality Upgrades	\$ 200,390,000	\$ 25,640,000	\$ 174,750,000
Parks & Recreational Facilities	\$ 91,370,716	\$ 30,300,000	\$ 61,070,716
Libraries & Health Facilities	\$ 32,671,689	\$ 8,000,000	\$ 24,671,689
<b>TOTAL</b>	<b>\$ 836,724,518</b>	<b>\$ 265,425,552</b>	<b>\$ 571,298,966</b>

Financing Plan – Special Parcel Tax

Staff, working with the City's financial advisors, has researched and evaluated the various financing options available to fund these projects. To provide sufficient funding to adequately address the \$571.3 million in unfunded infrastructure needs Citywide over the next ten years, staff recommends the creation of a special parcel tax. A special parcel tax requires a 2/3 vote of the electorate and requires that the proceeds of the tax are tracked separately and deposited into a separate account which can only be used for the specific purpose identified, in this case to address the City's infrastructure needs. The passage of this special tax and the resultant creation of a separate Infrastructure Reinvestment Act Fund, will ensure voters that funds raised via the creation of a dedicated parcel tax for infrastructure will be used expressly for that purpose. Moreover, the enhancement of the City's infrastructure will also serve to increase property tax values, facilitate the needs of businesses and improve the quality of life of Long Beach residents.

Proposed Special Tax Rates

To achieve sufficient revenue to support the debt service required for the issuance of bonds that will fund capital projects totaling \$571.3 million, an annual special parcel tax of \$120 (\$10 per month) per single-family dwelling is recommended, effective July 1, 2009. For non-residential parcels (including industrial and commercial), the special parcel tax varies based on land use classification but is no higher than \$0.0878 per square foot. The schedule of proposed special tax rates can be found in Exhibit A.

In its first year (FY 2010), it is expected the new parcel tax will generate \$31.5 million in revenue. It is important to note that Long Beach's current property tax rate of 1.057461 percent is the lowest of California's ten largest cities. Moreover, in comparison to the 88 other cities in Los Angeles County, Long Beach's property tax rate ranks 70<sup>th</sup> out of the 88 cities placing Long Beach among the cities with the lowest property tax rates in both California's ten largest cities and in Los Angeles County.

#### Exemptions

To assist elderly residents living on a fixed income, senior citizens in owner-occupied residences will be eligible for an exemption from this tax, as well as, disabled residents. Faith-based institutions and not-for-profit organizations will also be eligible for an exemption from this tax.

#### Oversight

To ensure proper oversight and tracking of the use of the tax proceeds, a separate Infrastructure Reinvestment Act Fund will be created effective July 1, 2009. In addition, pursuant to Government Code Section 50075.3, the Chief Financial Officer of the City of Long Beach must file a report with its governing body no later than January 1<sup>st</sup> of each year indicating the amount of funds collected and expended, and the status of any project required or authorized to be funded by the Special Tax. It is also recommended that the City Auditor conduct an independent audit of these funds annually to ensure that voter intent is met.

This letter was reviewed by Assistant City Attorney Heather Mahood on July 7, 2008 and Budget and Performance Management Bureau Manager David Wodynski on July 3, 2008.

#### TIMING CONSIDERATIONS

City Council action on July 22, 2008 is needed to place a measure on the November 4, 2008 ballot.

#### FISCAL IMPACT

The City has conducted an extensive analysis, as requested by the City Council, of the City's infrastructure needs over the next ten years. It is clear that the City does not have sufficient resources to address the level of its infrastructure needs over the next decade. In addition, with each passing year, the cost of improving the City's infrastructure increases exponentially, making it even more cost prohibitive to incur unnecessary delays. An annual special parcel tax of \$120 per single-family dwelling, and up to \$0.0878 per square foot for other properties, adjusted annually for inflation, would allow the City to issue bonds to finance its infrastructure needs over the next 30-35 years.

HONORABLE MAYOR AND CITY COUNCIL

July 22, 2008

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Based on current market conditions, it is projected that municipal bonds totaling \$638 million would be issued to fund \$571 million in project costs, a required debt service reserve fund of \$62.5 million, and \$4.5 million in underwriting fees, attorney's fees, and related costs. The City's financial advisors have reviewed and approved this proposed financing plan. The special tax will sunset in approximately 35 years upon the final maturity date of the Infrastructure Reinvestment Act Bonds. With a City of Long Beach Standard and Poor's rating of AA- with a Stable Outlook, it is anticipated these bonds will be well received by municipal bond investors.

Without this additional revenue, estimated at approximately \$31.5 million for Fiscal Year 2010 and adjusted annually for inflation, the City's vital infrastructure assets will continue to rapidly deteriorate, placing the City's residents, businesses and employees at increased safety risk and economic decline. It will cost approximately \$13,000 to place the Long Beach Infrastructure Reinvestment Act on the November 4, 2008 ballot. The Proposed FY 09 Budget for the City Clerk's Department will include this cost.

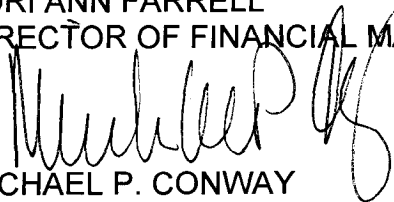
**SUGGESTED ACTION:**

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL  
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



MICHAEL P. CONWAY  
DIRECTOR OF PUBLIC WORKS



HEATHER A. MAHOOD  
ASSISTANT CITY ATTORNEY

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**APPROVED:**

ATTACHMENTS



PATRICK H. WEST  
CITY MANAGER



## **Infrastructure Improvement Projects**

### **Streets**

100 miles of arterial streets overlayed or reconstructed  
300 miles of local streets overlayed or reconstructed

### **Sidewalks**

163 Miles of repairs and replacements

### **Alleys**

75 Miles of overlays, and new construction.

### **Public Safety Facilities**

9 New Fire Stations  
17 Reconstructed Fire Stations  
New Fire Training Facility  
New East Division Police Substation  
New Police Academy

### **Coastal Water Quality Upgrades**

28.1 Miles of storm drains  
3,000 Catch Basin trash inserts, trash deflectors and treatment devices  
5 Outfalls with treatment devices  
23 City-owned pump stations with low flow diversion upgrades and treatment devices  
Acquisition, restoration, preservation of wetlands and open space

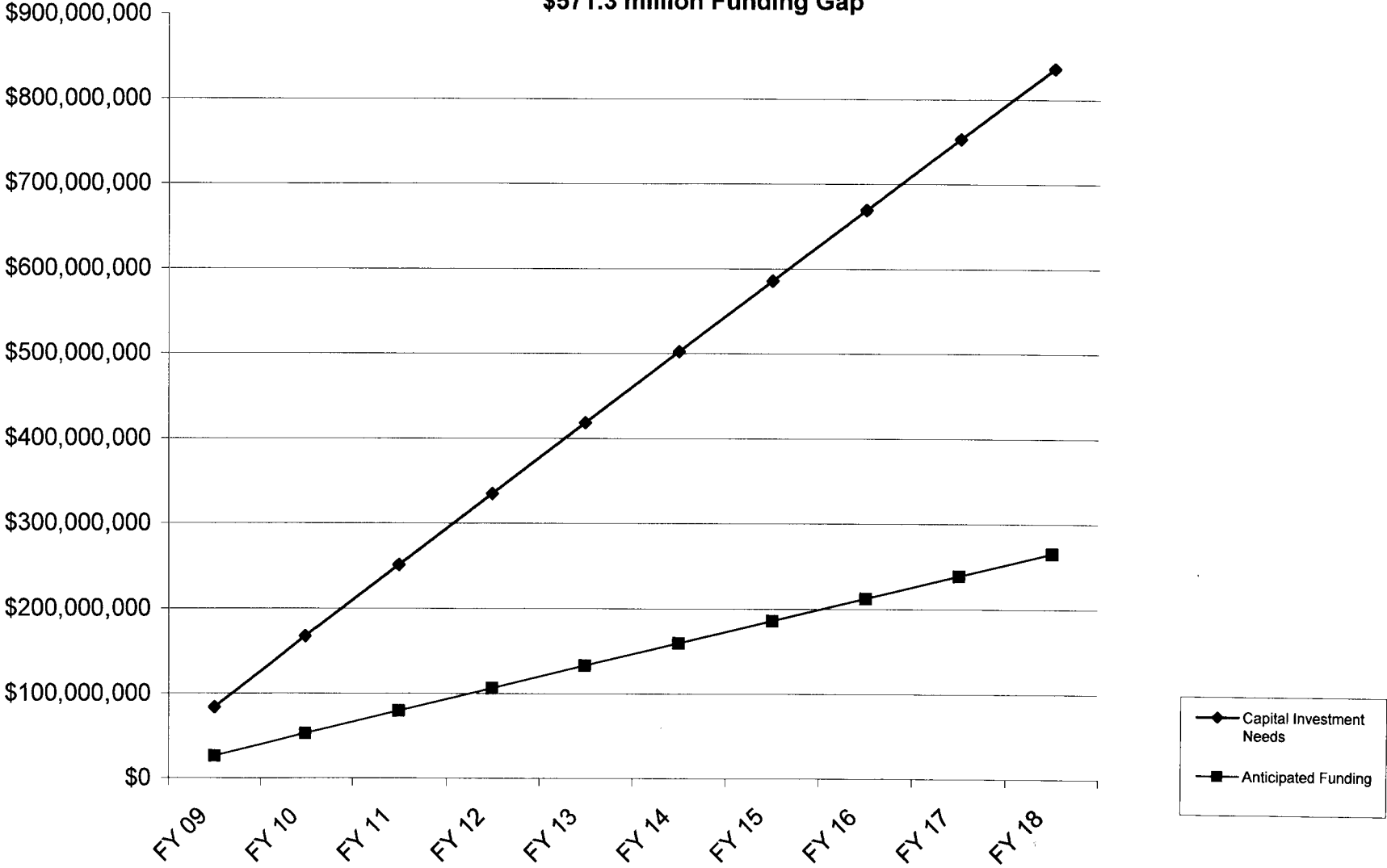
### **Parks and Recreational Facilities**

11 New Community Centers  
24 rehabilitated Community Centers  
20 New Rest Facilities  
Development of 3 new Parks  
Repaired and upgraded pool

### **Libraries and Health Facilities**

7 local libraries rehabilitated  
Main library rebuilt  
Critical Capital Improvements to 4 Health facilities

City of Long Beach  
Infrastructure Investment Measure  
\$571.3 million Funding Gap





**City of Long Beach Memorandum**  
*Working Together to Serve*

**Date:** July 17, 2008

**To:** Larry Herrera, City Clerk

**From:** *fw* Pat West, City Manager *SPW*

**Subject:** Request to Withdraw the Staff Report and Resolution for Hearing #2 for the Council Meeting of July 22, 2008 and Replace with the Attached Revised Staff Report for Hearing #2

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Pursuant to Municipal Code Section 2.03.070 [B], the City Councilmembers signing below request that the staff report and resolution for Hearing #2 for the Council Meeting of July 22, 2008 be withdrawn and replaced with the attached revised staff report and resolution.

The agenda title/recommendation for this item reads as follows:

**Conduct a hearing on the proposed levy of a new special parcel tax, receive supporting documentation into the record, conclude the hearing; and adopt the attached Resolution calling for an election on November 4, 2008, for the purpose of authorizing such levy (Long Beach Infrastructure Reinvestment Act).**

Council District	Authorizing Councilmember	Signed by
9 <sup>th</sup> District	Val Lerch	<i>Val Lerch</i>
3 <sup>rd</sup> District	Gary DeLong	<i>Gary DeLong</i>
1 <sup>st</sup> District	Bonnie Lewenthal	<i>Bonnie Lewenthal</i>

Attachment: Staff Report dated July 22, 2008.

CC: Office of the Mayor



OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH CALLING AN ELECTION TO BE  
HELD IN THE CITY OF LONG BEACH ON THE 4<sup>TH</sup> DAY OF  
NOVEMBER, 2008, FOR THE PURPOSE OF AUTHORIZING  
THE LEVY OF A NEW SPECIAL PARCEL TAX TO FUND  
CITY INFRASTRUCTURE (LONG BEACH  
INFRASTRUCTURE REINVESTMENT ACT)

WHEREAS, the City's streets, sidewalks, alleys, storm water collection  
systems, public buildings, health and safety facilities, parks and libraries (collectively,  
"Infrastructure") are in need of repair, improvement, or total replacement; and

WHEREAS, funding for the repair, improvement or replacement of the  
City's Infrastructure has not kept pace with the cost of doing so, and there is a need for  
additional revenue for this purpose; and

WHEREAS, the City has identified a \$571 million funding shortfall to meet  
its critical Infrastructure needs after taking into account all current and projected Federal,  
State, County and local revenue sources; and

WHEREAS, many public buildings have exceeded their useful life and may  
be shut down, with associated services suspended, if not rehabilitated, improved or  
replaced; and

WHEREAS, the City's population has increased by 36 percent over the past  
30 years, which has increased the demand on, and accelerated the deterioration of, the  
City's Infrastructure; and

WHEREAS, many of the City's fire stations were constructed in the mid-  
1900's and are inadequate to meet current building standards, gender equality standards,  
and ever-increasing public safety demands, and may not survive a significant seismic

1 event or be able to contain all of the equipment necessary to respond most effectively in  
2 the event of a major emergency or disaster; and

3 WHEREAS, all citizens of the City benefit from decent, safe, sanitary, well  
4 maintained, and optimally functioning Infrastructure and the resulting elimination of  
5 blighting influences, reduction of crime, enhancement of property values, and an  
6 improvement of their quality of life; and

7 WHEREAS, the City desires to increase passive and active open space  
8 through the acquisition and preservation of wetlands and open space, serving both the  
9 densely populated neighborhoods and the City as a whole; and

10 WHEREAS, the City's economic health, as evidenced by: the retention of  
11 existing and attraction of new business, increased convention activities, regionally  
12 significant special events, and increased cultural and recreational tourist levels, is directly  
13 affected by the condition of its Infrastructure;

14 NOW, THEREFORE, the City Council of the City of Long Beach resolves as  
15 follows:

16 Section 1. Under the provisions of the Constitution and laws of the State  
17 of California and the Charter of the City of Long Beach, an election is ordered,  
18 proclaimed and called to be held in the City of Long Beach, between the hours of 7:00  
19 a.m., and 8:00 p.m., on Tuesday, the 4th day of November, 2008, for the purpose of  
20 submitting to a vote of the qualified electors of the City of Long Beach the following  
21 proposition which, for identification purposes, is marked as Proposition B:

22 Proposition B

23 To repay bonds which the City intends to issue to repair/replace city streets,  
24 sidewalks, alleys, storm drains, fire stations, police stations, libraries and  
25 recreational facilities and to acquire, restore and preserve wetlands, shall an  
26 Ordinance be adopted which establishes an annual parcel tax of \$120 per  
27 residential unit (0.4 to 8.8 cents per square foot for other uses) adjusted  
28 annually for inflation?

1           Section 2.    Notice is hereby given of the time and place of the election.  
2 The City Clerk is directed and authorized to print and publish the proposition as required  
3 by law. All particulars not provided in this resolution shall be administered in accordance  
4 with the provisions of law governing the conduct of such elections in the City of Long  
5 Beach.

6           Section 3.    The proposition shall be stated as provided in Section 13119  
7 of the Elections Code of the State of California. The ballot used in voting upon the  
8 propositions shall contain the words "yes" and "no". The text of Proposition B is set forth  
9 in full in Exhibit "A".

10          Section 4.    That only qualified voters of the City of Long Beach shall be  
11 permitted to vote in the election called by this resolution.

12          Section 5.    Upon approval by the voters of the measure set forth in  
13 Exhibit "A", attached hereto and incorporated herein by this reference, the City Council is  
14 hereby authorized to establish and adopt, by ordinance, a new annual special parcel tax  
15 in the amounts set forth in Exhibit "A" within the boundaries of the City of Long Beach.

16          Section 6.    In connection with the proposed new parcel tax, the City  
17 Council proposes to increase the City's appropriations limit per fiscal year, in an amount  
18 equal to the levy of taxes for said year, as permitted by Article XIII B of the California  
19 Constitution.

20          Section 7.    This resolution shall take effect immediately upon its adoption  
21 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

22                 I hereby certify that the foregoing resolution was adopted by the City  
23 Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2008 by the

24    ////

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OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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following vote:

Ayes: Councilmembers:

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Noes: Councilmembers:

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Absent: Councilmembers:

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City Clerk

HAM:fl  
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EXHIBIT "A"

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LONG BEACH  
ADDING CHAPTER 3.85 TO THE LONG BEACH  
MUNICIPAL CODE AUTHORIZING THE LEVY OF A  
SPECIAL PARCEL TAX (LONG BEACH INFRASTRUCTURE  
REINVESTMENT ACT)

The people of the City of Long Beach ordains as follows:

Section 1. Chapter 3.85 is hereby added to the Long Beach Municipal  
Code to read in its entirety as follows:

Chapter 3.85

Long Beach Infrastructure Reinvestment Act

3.85.010 Short title.

This Chapter shall be known as the "Long Beach Infrastructure  
Reinvestment Act."

3.85.020 Legislative findings and declarations.

A. The City's streets, sidewalks, alleys, storm water collection  
systems, public buildings, health and safety facilities, parks and libraries  
(collectively, "Infrastructure") are in need of repair, improvement, or total  
replacement.

B. Funding for the repair, improvement or replacement of the  
City's Infrastructure has not kept pace with the cost of doing so, and there is  
a need for additional revenue for this purpose.

C. The City has identified an estimated \$571 million funding

1           shortfall to meet its critical Infrastructure needs after taking into account all  
2           current and projected Federal, State, County and local revenue sources.

3           D.       Many public buildings have exceeded their useful life and may  
4           be shut down, with associated services suspended, if not rehabilitated,  
5           improved or replaced.

6           E.       The City's population has increased by 36 percent over the  
7           past 30 years, which has increased the demand on, and accelerated the  
8           deterioration of, the City's Infrastructure.

9           F.       Many of the City's fire stations were constructed in the mid-  
10          1900's and are inadequate to meet current building standards, gender  
11          equality standards, and ever-increasing public safety demands, and may  
12          not survive a significant seismic event or be able to contain all of the  
13          equipment necessary to respond most effectively in the event of a major  
14          emergency or disaster.

15          G.       All citizens of the City benefit from decent, safe, sanitary, well  
16          maintained, and optimally functioning Infrastructure and the resulting  
17          elimination of blighting influences, reduction of crime, enhancement of  
18          property values, and an improvement of their quality of life.

19          H.       The City desires to increase passive and active open space  
20          through the acquisition and preservation of wetlands and open space,  
21          serving both the densely populated neighborhoods and the City as a whole.

22          I.       The City's economic health, as evidenced by: the retention of  
23          existing and attraction of new business, increased convention activities, and  
24          increased cultural and recreational tourist levels, is directly affected by the  
25          condition of its Infrastructure.

26          3.85.030    Special parcel tax imposed.

27          A.       The City shall be authorized to impose and levy a special  
28          parcel tax each year on each parcel of real property within the City

1 described below, based on the use or right of use of the parcel, for the  
2 purposes stated in this Chapter. The special tax hereby imposed shall be  
3 at the rates set forth below:

<b>LAND USE CLASSIFICATION</b>	<b>SPECIAL TAX</b>
Single Family Residence	\$ 120 per Parcel
Multi-Family Residence	\$ 120 per Unit
Commercial	\$ 0.0878 per Sq. Ft. of Improvements
Office Buildings	\$ 0.0878 per Sq. Ft. of Improvements
Hotels/Motels	\$ 0.0878 per Sq. Ft. of Improvements
Shopping Centers	\$ 0.0878 per Sq. Ft. of Improvements
Light Industrial	\$ 0.0878 per Sq. Ft. of Improvements
Heavy Industrial	\$ 0.0878 per Sq. Ft. of Land
Vacant Land and Parking Lots	\$ 0.0746 per Sq. Ft. of Land
Recreational-Golf Courses	\$ 0.0040 per Sq. Ft. of Land

19  
20 B. The amounts set forth above shall be automatically adjusted  
21 on July 1, 2010, and on July 1 of each year thereafter, upward or  
22 downward, equivalent to the most recent change in the annual average of  
23 the consumer price index as published by the United States Department of  
24 Labor for the Los Angeles-Riverside-Orange County area. For purposes of  
25 calculating the annual inflation/deflation factor under this Section, the base  
26 year shall be that year ending with December 31, 2009. Nothing in this  
27 Chapter shall be construed as imposing a special tax upon any person  
28 when imposition of such special tax upon that person would be in violation

1 of either the Constitution of the United States or the Constitution of the  
2 State of California.

3 C. The special tax imposed by this Chapter shall not be levied  
4 upon the Federal government, the State government, any state agency or  
5 any local governmental agency.

6 D. The special tax imposed by this Chapter shall be assessed  
7 upon the owner of the parcel unless the owner is by law exempt from  
8 taxation, in which case, the special tax imposed shall be assessed to the  
9 holder of any possessory interest in such parcel, unless such holder is also  
10 by law exempt from taxation. "Possessory interest" as it applies to property  
11 owned by any agency of federal, state or local government, shall mean  
12 possession of, claim to, or right to the possession of, land or improvements  
13 and shall include any exclusive right to the use of such land or  
14 improvements.

15 E. The special tax imposed by this Chapter shall not be levied  
16 upon a parcel of property or improvement to property which is owned by a  
17 house of worship or non-profit organization which qualifies for an exemption  
18 from ad valorem taxation under California law.

19 F. It is the intent of the City to tax all parcels located within the  
20 City limits. In the event a use category is not listed in the table above, that  
21 use category shall be taxed at the same rate as Commercial.

22 3.85.040 Use of proceeds.

23 The proceeds of this special tax may be used only for the following  
24 purposes:

25 All costs incident to the acquisition, improvement, repair,  
26 replacement, rehabilitation, relocation, restoration, and preservation of  
27 streets, signals, sidewalks, alleys, storm water collection, transportation,  
28 detention and discharge systems, fire and police stations and other public



1 safety facilities, parks and recreation and community facilities, open space,  
2 and wetlands, libraries and health facilities or for the payment of debt  
3 service on and the administration of any bonds issued for any such  
4 improvements.

5 3.85.050 Term of special parcel tax.

6 The special parcel tax shall take effect on July 1, 2009, and shall  
7 continue in effect until June 30, 2044.

8 3.85.060 Definitions.

9 The following terms as used in this Chapter shall have the  
10 meanings indicated in this Section as follows:

11 A. "Parcel" means any unit of real property in the City which  
12 receives a separate tax bill for ad valorem property taxes from the Los  
13 Angeles County Treasurer-Tax Collector's Office.

14 B. The terms "Single Family Residential," "Multifamily  
15 Residential," "Commercial," "Office Buildings," "Hotels/Motels," "Shopping  
16 Centers," "Light Industrial," "Heavy Industrial," "Vacant Land," "Parking Lots"  
17 and "Recreational-Golf Courses," shall have the same meaning as utilized  
18 by the Office of the Los Angeles County Assessor in imposing and  
19 calculating ad valorem property taxes. In the event that the Office of the  
20 Los Angeles County Assessor modifies such categories, the designations  
21 contained in this Chapter shall be deemed to be amended to match the  
22 newly created category mostly closely matching the categories listed above.

23 C. "Unit" means a structure constructed primarily for human  
24 habitation, which may be an individual detached residential unit, an  
25 individual attached residential unit within a duplex, triplex, fourplex,  
26 townhome, or condominium structure, an individual apartment unit, or a  
27 mobile home or other dwelling unit.

28 3.85.070 Collection of special tax.

1           A.     The special tax shall be collected on behalf of the City by the  
2           County of Los Angeles. The City Clerk shall file with the County a certified  
3           copy of a tax roll with a request that the taxes be posted to the County roll  
4           for general property taxes. This filing shall occur on or before August 1st of  
5           the fiscal year in which the taxes are to be collected. The special tax shall  
6           be collected at the same time and in the same manner and shall be subject  
7           to the same late charges and penalties for delinquency as general property  
8           taxes and all laws providing for the collection and enforcement of such  
9           property taxes shall apply to the collection and enforcement of the special  
10          tax. After deduction of the collection charges of the County, the net amount  
11          of the special taxes collected shall be remitted to the City.

12          B.     If the County of Los Angeles does not collect any special tax  
13          due under this Chapter, then the Director of Financial Management shall  
14          have the power and duty to enforce all of the provisions of this Chapter. In  
15          such cases an assessment may be made against the owner of a parcel and  
16          improvements in the manner provided by law. Any unpaid special tax due  
17          under this Chapter shall be subject to all remedies provided by law.

18          C.     The special tax shall be due in two equal installments in  
19          accordance with the collection procedures of the Los Angeles County tax  
20          collector with the first installment due November 1st, and the second  
21          installment due the next succeeding February 1st, in each fiscal year. The  
22          owner of the land, land and improvements, at the time set forth in California  
23          Revenue and Taxation Code Sections 405 and 2192 for each fiscal year  
24          shall have a personal obligation to the City until the tax is paid for each  
25          fiscal year.

26          3.85.080     Exemptions.

27          A.     An exemption from the special tax will be made available to  
28          owners of single family residential units in which they reside who will attain

1 the age of 65 years during the assessment year, who owns a beneficial  
2 interest in the parcel and who uses that parcel as his or her principal place  
3 of residence. Owners must apply to the City for this exemption in the  
4 manner and at the time set forth in procedures established by the City.  
5 Such application shall be on forms available from the Director of the  
6 Department of Financial Management. Any one application from a qualified  
7 applicant will provide an exemption for the parcel for that assessment year,  
8 and with an annual renewal with the City, for the remaining term of the  
9 assessment so long as such applicant continues to use the parcel as his or  
10 her principal residence.

11 B. An exemption from the special tax will be made for owners of  
12 single family residential units receiving Supplemental Security Income for a  
13 disability, regardless of age. Owners must apply to the City for this  
14 exemption annually in the manner and at the time set forth in procedures  
15 established by the City. Such application shall be on forms available from  
16 the Director of the Department of Financial Management and must provide  
17 information sufficient to verify that such owner is in fact receiving  
18 Supplemental Security Income for a disability.

19 3.85.090 Adjustments and refunds.

20 A. Requests for adjustments involving imposition of this special  
21 tax may be filed with the Director of Financial Management. Upon sufficient  
22 evidence of error in the computation of the special tax, the Director of  
23 Financial Management or his/her designee shall cause the special tax to be  
24 recalculated, and shall so advise the Los Angeles County Tax Collector or  
25 other appropriate official.

26 B. Whenever it is alleged that the amount of any special tax has  
27 been overpaid or paid more than once or has been erroneously or illegally  
28 collected or received by the City under this Chapter the refund procedure

1 shall be as follows:

2 No claim for refund of special tax payment shall be allowed in whole  
3 or in part unless filed with the City Clerk within a period of three (3) years  
4 from the date of the claimed overpayment. All such claims for refund of the  
5 amount of the overpayment must be filed on forms furnished, and in the  
6 manner prescribed by the Department of Financial Management. Refunds  
7 may be made solely from the Long Beach Infrastructure Reinvestment  
8 Special Tax Fund.

9 C. The Director of Financial Management may prepare a  
10 questionnaire to be served on the owner of a parcel or improvements  
11 subject to the tax imposed by this Chapter. The questionnaire may request  
12 information which would be useful to the Director of Financial Management  
13 in the enforcement or administration of this Chapter. The failure by an  
14 owner to provide the information requested within thirty (30) days of receipt  
15 of the request, or the act of an owner in knowingly providing false  
16 information, shall be a misdemeanor.

17 3.85.100 Independent audit.

18 The City Auditor shall annually cause an independent financial  
19 auditor to prepare a report, which shall be filed with the City Council no later  
20 than January 1<sup>st</sup> of each year, containing information regarding the amount  
21 of tax revenue collected and expended in the previous fiscal year, and the  
22 status of any projects and programs funded by such tax revenue.

23 3.85.110 Special fund.

24 A. There is established a special fund entitled "Long Beach  
25 Infrastructure Reinvestment Special Tax Fund" (hereinafter the "special  
26 fund"). Money collected pursuant to this Chapter shall be deposited into  
27 said special fund and shall be used exclusively as provided in this Chapter  
28 for the purposes for which the special tax is imposed, and for no other

1 purposes. Nothing in this Section shall prevent disbursements from this  
2 special fund to reimburse the general fund if, and only if, money has been  
3 advanced from the general fund to pay for the uses provided in this  
4 Chapter.

5 B. Any money raised by the special tax, including any interest  
6 accrued thereon, that remains unencumbered at the end of any fiscal year  
7 may only be used in a succeeding fiscal year for the purposes stated in this  
8 Chapter.

9 3.85.120 Nature of tax.

10 The special parcel tax imposed by this Chapter is not an ad valorem  
11 tax on real property, nor a transaction tax or sales tax on the sale of real  
12 property. It is an excise tax on the privilege of using City infrastructure, with  
13 rates intended to be proportional to the benefits accorded to occupants of  
14 certain categories of parcels. It is not feasible for the City to collect the tax  
15 from the non-owner occupants on whom it is imposed because the records  
16 available to the City do not include the names of non-owner occupants.  
17 Therefore, the only practical way to collect a tax imposed on occupants is to  
18 collect it from owners of the occupied parcels.

19 3.85.130 Citizens' oversight committee.

20 A. There is hereby created a Citizens' Oversight Committee,  
21 which shall be composed of eleven (11) members. Nine (9) of the  
22 appointments to the commission shall be residents of each of the nine  
23 councilmanic districts and two (2) members shall be appointed to serve as  
24 at-large members. Each member shall be appointed by the Mayor, subject  
25 to confirmation by the City Council. The responsibilities of the Committee  
26 are solely advisory to the City Council and shall consist of:

27 1. Review of the amount of tax revenue collected from the  
28 special parcel tax.

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2. Review the expenditure of funds from the Long Beach Infrastructure Reinvestment Special Tax Fund.

3. Make recommendations on the priority of projects funded by the Long Beach Infrastructure Reinvestment Special Tax Fund.

B. Each year the Citizen's Oversight Committee shall cause a report to be prepared showing the amount of funds collected from the special parcel tax, expenditures from the special fund, and projected expenditures for the upcoming fiscal year. This report shall be submitted to the City Council.

C. The Director of Public Works shall designate a staff liaison to provide support to the Committee and facilitate it in its duties.

Section 2. As provided in Section 2001 of the Long Beach City Charter, if more than two-thirds of those electors voting on this ordinance vote in favor of same, it shall be adopted upon a declaration of the result of such ballot by the City Council, and it shall take effect ten (10) days after that date.

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