



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-8

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6465 • Fax (562) 570-5836

December 15, 2015

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 and 5)

DISCUSSION

The Local Agency Special Tax Bond and Accountability Act (Act), requires the City to submit an annual report on CFD project funds to its City Council for Community Facilities District Special Tax bonds issued after January 1, 2001. The Act requires that the annual report contain a statement indicating the specific purposes of the Special Tax, that the proceeds of the Special Tax be used for those purposes, and that the funds be separately held. This annual report requirement applies to CFD No. 2007-1 (Exhibit A), CFD 2007-2 (Exhibit B), CFD No. 5 (Exhibit C), CFD No. 6 (Exhibit D), and CFD No. 2011-1 (Exhibit 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 exhibits 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. The District also assesses Special Tax B for infrastructure maintenance within the District. As of September 30, 2015, the Special Tax A fund balance is \$51,283. 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 fund balance is \$669,919.

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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, 2015, the fund balance of \$685,684 remains 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 defease outstanding 2000 bonds previously issued for the District by the City, among other related bond costs and reserves. The project was completed and no fund 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 fund 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, the City will start including it in this report to show the assessed funds collected to date, and related expenses as provided for in the first year of the levy. After the first year, the levy shall be used for infrastructure maintenance and repairs in this area. As of September 30, 2015, the fund balance is \$124,486.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on November 24, 2015 and by Budget Operations Administrator Grace Yoon on November 30, 2015.

TIMING CONSIDERATIONS

City Council action is requested on December 15, 2015, as State law requires this report 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:EC
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ATTACHMENTS:

- A: ANNUAL REPORT – CFD NO. 2007-1
- B: ANNUAL REPORT – CFD NO. 2007-2
- C: ANNUAL REPORT – CFD NO. 5
- D: ANNUAL REPORT – CFD NO. 6
- E: ANNUAL REPORT – CFD NO. 2011-1

APPROVED:



**PATRICK H. WEST
CITY MANAGER**

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

2 0 1 5 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 – Fund balance as of 9/15/2015

The requirements of the Act applies to the Improvement/Construction/Facilities Fund of the following District as reported in prior years:

District	Date Bonds Issued	Initial Amount Improvement/Construction Fund	9/30/2015 Balance ⁽¹⁾	Expended Amount to Date	Project Status
CFD No. 2007-1	July 2007	\$12,934,414	\$51,283	\$12,883,131	On-Going

(1) Improvement fund balance includes Public Works administration. All acquisition/construction costs are expended.

Special Tax B – Maintenance as of 9/30/2015

The scope of this Act began to apply to Special Taxes B levied to pay for ongoing services and maintenance of improvements within this District. Amounts below are reported cumulatively.

District	Date of Formation	Cumulative Annual Levy ⁽²⁾	9/30/2015 Balance ⁽²⁾	Expended Amount to Date	Project Status
CFD No. 2007-1	March 6, 2007	\$873,043	\$669,919	\$203,124	On-Going

(2) The 2015 Special Tax B Levy for Maintenance is \$116,586.78 plus \$855.07 generated in interest earning in the current year. The County 2015 billing fee was \$62.74. No additional amount was spent on maintenance in FY2015.

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

**2 0 1 5 A N N U A L
R E P O R T**

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The requirements of the Act applies 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	9/31/2015 Balance ⁽¹⁾	Expended Amount to Date ⁽²⁾	Project Status
CFD No. 2007-2	11/19/2009	\$3,163,935	\$685,684	\$2,478,289	In Progress

(1) Balance interest earnings of \$38 in 2015.

(2) Reported amount nets expense from interest earnings. Expense of \$2,476,349 in 2013 has decreased due to interest earnings offset purposes of this report.

**Community Facilities District No. 5
Long Beach Towne Center Refunding**

**2 0 1 5 A N N U A L
R E P O R T**

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The requirements of the Act applies 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	9/30/2015 Balance	Expended Amount to Date⁽¹⁾	Project Status
CFD No. 5 (Refunded)	5/22/2008	\$826,219	\$0	\$833,817.47	Complete

(1) Includes \$7,598.47 interest earnings. Same data reported. Continuing to report to meet State requirements. Same amounts above reported since 2009.

**Community Facilities District No. 6
Pike Public Improvements**

**2 0 1 5 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 applies 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	9/30/2015 Balance	Expended Amount to Date	Project Status
CFD No. 6	7/11/2002	\$32,142,411	\$0	\$32,142,411	Complete

Note: No change in reported data. Continuing to report to meet State requirements.

Interest Earnings on Bond Proceeds:

District	Interest Earned on Bond Proceeds to Date	9/30/2015 Earned Interest Balance ⁽¹⁾	Earned Interest Expended Amount To Date
CFD No. 6	\$363,433	\$0	\$363,433

(1) Balance transferred to retire outstanding bonds. Same amounts reported since 2011.

**Community Facilities District
No. 2011-1 Douglas North of Cover**

**2 0 1 5 A N N U A L
R E P O R T**

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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; thus, it had not been previously included in these reports. For these reasons, the amounts below are reported cumulatively.

District	Date of Formation	Cumulative Annual Levy ⁽¹⁾	9/30/2015 Balance ⁽²⁾	Expended Amount to Date ⁽²⁾	Project Status
CFD No. 2011-1	February 2011	\$180,989	\$ 124,486	\$56,503	On-Going

(1) Includes accrued interest earnings

(2) Balance is net of recovered administrative costs & county fees.