



Agenda Report

File #: 20-0660

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 08/05/2020

TO: Honorable Mayor and City Council Members

FROM: Administrative Services Department

SUBJECT:

Public Hearing for City Council consideration of Resolution No. 2020-110 confirming the diagram and assessment within Zones 1, 2, 4, 7, 10, 14, 15, 17, 18, and 20 of the Landscape Maintenance District No. 84-2 for Fiscal Year 2021.

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2020-110 confirming the diagram and assessment within Zones 1, 2, 4, 7, 10, 14, 15, 17, 18, and 20 of the Landscape Maintenance District No. 84-2 for Fiscal Year 2021.

ANALYSIS:

Zones 1, 2, 4, 7, 10, 14, 15, 17, 18, and 20 of the Landscape Maintenance District No. 84-2 (the "District") was established in accordance with the provisions of the Landscaping and Lighting Act of 1972 (the "1972 Act") in 1986. The purpose of the District is to provide landscape maintenance and operating services for the public landscaping and appurtenant facilities within the District's boundaries.

Each zone imposes a different assessment levy based on the benefit areas associated with that zone. The annual assessments proposed to be levied within the District will pay for the maintenance of parks, slopes, parkways, and open spaces during Fiscal Year 2021. Services provided include all necessary operations, administration, capital replacements, and maintenance required to keep the above-mentioned improvements in a healthy and satisfactory working condition.

The State of California Street and Highways Code Section 22500 requires an annual review of the assessments levied by the assessment districts formed under the 1972 Act. In order to levy and collect special assessments within the districts, an Engineer's Report must be prepared, which

provide details on the improvements that are maintained and the estimated budgets for the District.

On May 6, 2020, the City Council adopted Resolutions No. 2020-027, to initiate the proceedings to levy and collect assessments for the District for Fiscal Year 2021, appointed Spicer Consulting Group, LLC as the engineer of record, and ordered the preparation of an Engineer's Report for the District.

On July 1, 2020, the City Council adopted Resolution No. 2020-087, to declare the City's intention to levy and collect assessments within the District, approve the preliminary Engineer's Report (the "Preliminary Report"), and provide notice of public hearing on the proposed assessments. Notice of public hearing was published in the local newspaper on July 8, 2020.

Attached is the final Engineer's Report (the "Report") as it pertains to the District, which is consistent with the Preliminary Report. The Report includes a detailed description of the existing improvements within the District, the estimated maintenance costs, the method of assessment apportionment for each lot or parcel within the District boundaries, and a diagram showing the boundaries of the District (and zone). The Report also provides an analysis of the District's financial status.

Adoption of the recommended resolution is the last step of the annual proceedings for the levy and collection of special assessment within the District. The City Council will conduct a public hearing to afford all interested parties an opportunity to make verbal or written comments on the proposed annual assessment. At the conclusion of the hearing, it is recommended that the City Council adopt the said resolution confirming the diagram and assessments for the District for Fiscal Year 2021, which will constitute the levy of the assessment for the maintenance and servicing of public landscaping and appurtenant facilities within the District, in accordance with the Streets and Highways Code.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

This item supports the City's Strategic Plan Goal 6: Improve Communications with Our Community; Objective a: Commit to transparency in all City actions. The recommended action will help achieve these goals by providing concise, forthright information regarding the annual levy proceedings for the District.

FISCAL IMPACT:

The cost of operation, servicing and maintenance of the District will be funded by the assessments levied and collected within the District. For Fiscal Year 2021, it is projected that the current year assessment revenues will be sufficient to cover the operating costs for Zones 4, 7, 10, 14, 15, and 20 within the District during the same fiscal period. It is also projected that the current year assessment revenues will be insufficient to cover the operating costs for Zones 1, 2, 17, and 18 during the same fiscal period, which will be covered by a one-time contribution from each respective zone's reserves.

Below is an overview of the District's estimated assessment revenues and proposed expenditures for Fiscal Year 2021. Detailed information per zone can be found in the attached Report.

District	Estimated Costs	Estimated Assessment Revenue	General Benefit Contribution ⁽¹⁾	Estimated Excess/(Deficit)	Contribution (To)/From Operating Reserve	Contribution (To)/From Capital Reserve	Operating Reserve ⁽²⁾	Capital Reserve ⁽³⁾
LMD 84-2, Zone 1	4,408	4,147	-	(261)	-	261	2,204	19,389
LMD 84-2, Zone 2	90,360	81,084	209	(9,067)	-	9,067	45,180	16,019
LMD 84-2, Zone 4	77,033	93,615	-	16,582	-	(16,582)	38,517	182,106
LMD 84-2, Zone 7	73,819	78,793	-	4,974	-	(4,974)	36,910	56,355
LMD 84-2, Zone 10	1,336,292	2,144,599	-	808,307	-	(808,307)	668,146	5,135,639
LMD 84-2, Zone 14	395,360	588,663	767	194,070	-	(194,070)	197,680	1,167,744
LMD 84-2, Zone 15	27,247	27,556	-	309	-	(309)	13,624	59,427
LMD 84-2, Zone 17	33,196	22,110	-	(11,086)	3,971	7,115	12,627	-
LMD 84-2, Zone 18	62,972	35,980	383	(26,609)	-	26,609	31,486	35,748
LMD 84-2, Zone 20	780,507	1,068,698	-	288,191	-	(288,191)	390,254	1,751,759

1) Benefit received by non-residents of the Districts for the landscape improvements. This amount is contributed by the City's General Fund.

2) The Operating Reserve fund may equal up to 50% of the estimated annual cost of providing services.

3) The Capital Replacement Reserve fund will be used for capital improvement projects. All existing improvement in the District have finite life expectancies and will require replacement at some point in the future. On an annual basis, any non- expended assessment monies, in excess of Operating Reserve contribution, will be transferred to the Capital Replacement Reserve fund until such time as there are sufficient funds to pay for the needed replacement, or respond to unforeseen capital improvement needs.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the action is not subject to CEQA. This action merely declares the City's intent to levy and collect assessments within the District for Fiscal Year 2021, and there is no possibility that adopting the resolution will have a significant effect on the environment.

PREPARED BY: LIEN-CHI CANTUBA, FINANCIAL ANALYST III

REVIEWED BY: KIM SITTON, ACTING ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: ROGER BRADLEY, ASSISTANT CITY MANAGER

SUBMITTED BY: JACOB ELLIS, CITY MANAGER

Attachments:

1. Fiscal Year 2021 LMD No. 84-2 Final Engineer's Report, as it pertains to the District.
2. Resolution No. 2020-110