



Public Hearing for the Proposed Increase in Assessment for LMD 84-2 Zone 19



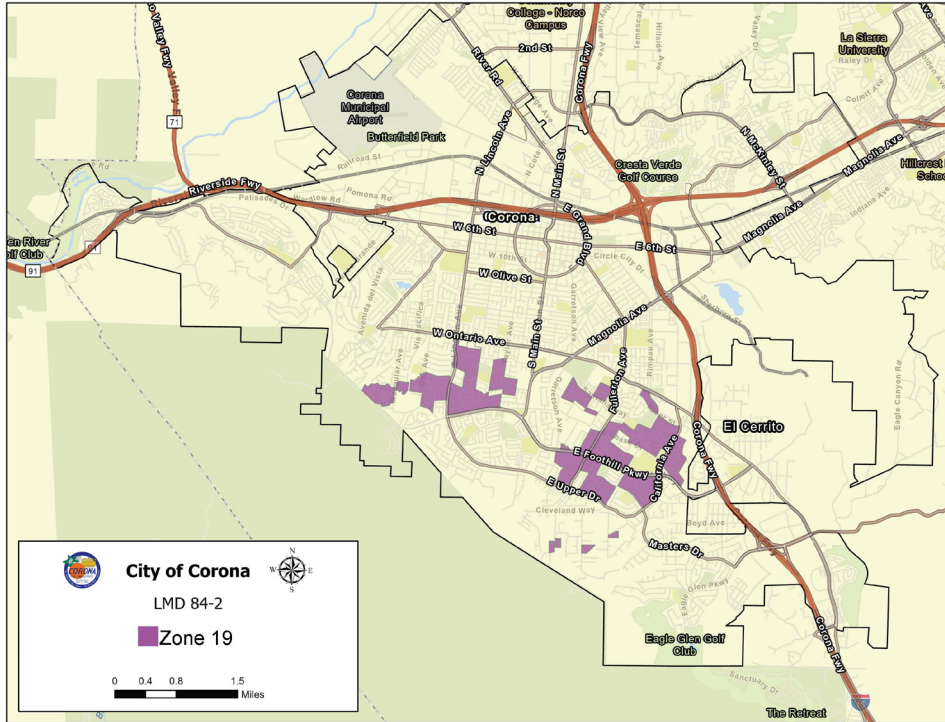
Donna Finch
Interim Community Services
Director
July 19, 2023



The Ask

That the City Council conduct a public hearing for the proposed increase in annual assessment for Landscape Maintenance District (LMD) 84-2 Zone 19 and direct the City Clerk to open and tabulate ballots and report the election results.

Background on Zone 19



- ▷ Established in 1986
- ▷ Provides landscape maintenance and operating services to the area
- ▷ 1.5 million SF of landscaping
- ▷ 3,692 Benefit Units (BUs)
- ▷ Annual assessment = \$126.00 per BU
 - Current rate established in 2002
 - Has not increased in 21 years
- ▷ Prop 218 ballot measure required to increase assessment

Zone 19 Challenges

- ▶ Operating at a deficit due to ongoing increases in labor, maintenance, and utility costs
- ▶ New regulations on weed abatement, mandated use of electrical equipment, and drought restrictions will continue to drive up costs
- ▶ Over 340,000 sf of missing landscaping with no funding to replace it



Benefit Units (BU)	Assessment per BU	FY23 Revenue Budget	FY23 Expenditure Budget	Deficit	FY23 Capital Reserve	FY23 Operating Reserve
3,692	\$126.00	\$465,192	\$568,560	(\$103,368)	\$0	(\$198,199)

Landscape Services

Service Type	Original Service Levels	Current Service Levels
Mowing, Edging & Blowing	Weekly	Weekly
Litter Pickup	Weekly	Weekly
Weed Control	Monthly	Monthly
Vine, Shrub, and Brush Trimming	Monthly	Monthly
Ground Cover Trimming	Monthly	Monthly
Irrigation Testing, Maintenance & Repair	Monthly	Monthly
Tree Trimming & Planting	Yearly/Grid	As needed
Backflow, Cages & Curb Markings Painted	Yearly	Yearly
Replacement of Aging or Dead Plant Material	As needed	None
Turf Fertilization and Aeration	As needed	None
Mulch Planter Areas	As needed	None
Upgrade Irrigation for Spring/Summer	Yearly	None
Weed Abatement for Spring/Summer	Yearly	Yearly

EDUCATION & OUTREACH

to Zone 19 Residents

Service Level Options

OPTION 1	OPTION 2	OPTION 3	OPTION 4
Reduce Service Levels	Maintain Current Service Levels	Maintain Service Levels + Restore Landscaping	Maintain Service Levels and Restore & <i>Enhance</i> Landscaping
\$0 No Increase* (Monthly Total: \$11)	\$4 Monthly Increase* (Monthly Total: \$15)	\$21 Monthly Increase* (Monthly Total: \$32)	\$48 Monthly Increase* (Monthly Total: \$59)
WHAT YOU'LL SEE	WHAT YOU'LL SEE	WHAT YOU'LL SEE	WHAT YOU'LL SEE
Deterioration of landscape aesthetics	Maintains current landscaping Does not replace missing landscaping	Maintains current landscaping Restores missing landscape Improves Aesthetics Sustainable funding	Maintains current landscaping Restores missing landscape Sustainable funding Replace all turf with hardscape and sustainable plants Environmentally friendly

*These figures are estimates.

Education Campaign

- ▷ Video
- ▷ Website
- ▷ Emails
- ▷ Door Hanger
- ▷ Lawn Signs
- ▷ Postcard
- ▷ FAQs
- ▷ Community Meeting

Call to Action → **Take the Survey!**



1. What is a Landscape Maintenance District (LMD)?
A LMD is a special district formed to provide enhanced landscape improvements and maintenance of landscape areas in the public right-of-way. The cost of the operation and maintenance of the LMD is funded through an assessment collected from the benefiting property owners on their property tax bill.

2. What does a Landscape Maintenance District assessment pay for?
The LMD assessment covers the cost for water, electricity, and labor for tree trimming, gardening, litter control, weed abatement, and other general maintenance, materials, and administrative costs. Landscape improvements in the LMD are generally located in the parkways along the arterial and collector streets, medians, and entrances to residential neighborhoods.

3. How are LMDs formed?
LMDs may be formed at the time a new subdivision is built. The formation of a LMD involves the annexation of the subdivision territories benefiting from the LMD improvements. The annexation is a legal process and requires the vote of the property owner(s) for the annual assessments levied. Prospective buyers of the property are informed of the existence of the LMD and the assessment is shown as a line-item on their property tax bill.

4. What is the difference between my Homeowners Association (HOA) and a LMD?
A HOA is a legally authorized private organization that governs the common areas of a residential neighborhood. Each homeowner must follow the covenants, conditions, and restrictions (CC&Rs) that govern all properties in the neighborhood and pay the fees of the HOA. The HOA ensures that the common areas such as playgrounds, swimming pools, and communal landscape areas remain in good condition and ensures that homeowners follow the CC&Rs.
A LMD is a special district that funds and maintains enhanced landscaping in the public right of way. Funds are collected and administered by the City through an assessment on the property tax bill. Landscape improvements in the LMD are generally located in the parkways along arterial and collector streets, medians, and entrances to residential neighborhoods.

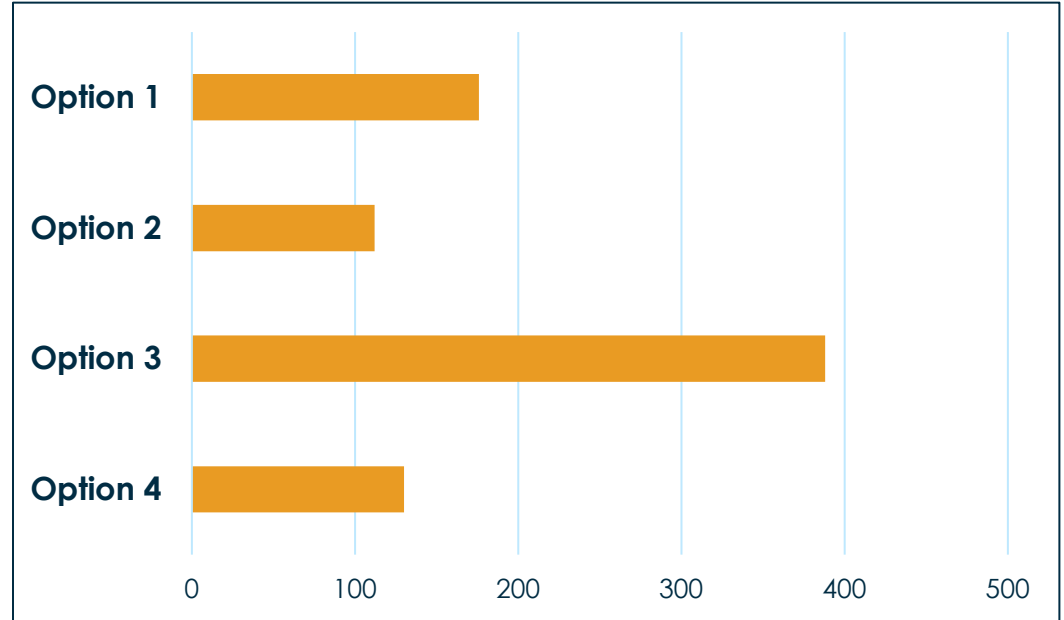
5. How is the annual assessment determined?
Each LMD establishes a benefit formula and every parcel in the LMD is assessed according to the benefits received from the services. The formula bases the assessment rate on the number of properties, the size of area that is maintained, and the cost to provide landscape services and improvements within the area.

6. How long will the assessment be charged to my property?
Assessments that pay for ongoing services will continue as long as the services are provided.

7. Can other parts of the city budget support the services of this LMD?
LMDs in the City of Corona are designed to be self-sufficient with expenditures funded entirely by the assessment revenues collected from the property owners in each LMD zone.

Survey Results

- ▷ **866 responses** (22% response rate)
- ▷ **22%** supported Option 1 – **no rate increase**
- ▷ **78%** supported **some type of rate increase:**
 - Option 2 = 14%
 - Option 3 = 48%
 - Option 4 = 16%



City Council provided direction to initiate proceedings to increase the assessment in Zone 19 based on Option 3

Zone 19 Ballot Measure Timeline

May 3 – City Council adopted Reso. No. 2023-038 to initiate proceedings to increase the assessment in Zone 19

May 25 – 31 – Outreach begins to Zone 19 property owners with email and door hanger distribution

June 6 – Email reminder about Zone 19 ballot sent to property owners

July 10 – Outreach concludes for Zone 19 Landscape Restoration Measure with final email reminder

August 10 – Assessments placed on County tax roll

MAY

JUNE

JULY

AUGUST

May 17 – City Council adopted Reso. No. 2023-044 declaring intention to increase the assessments in Zone 19; approved preliminary Engineer's Report; set public hearing for 7/19/23

June 1 – Ballots mailed to all record owners of the properties in Zone 19 with a notice of Public Hearing

June 10 – Postcard with additional details about Zone 19 ballot sent to property owners

July 19 – City Council conducts public hearing; tabulates ballots; adopts resolution determining results of ballots

August 21 – City Clerk files Diagram and Assessment with County Auditor

Recommendation

That the City Council conduct a public hearing for the proposed increase in annual assessment for Landscape Maintenance District (LMD) 84-2 Zone 19 and direct the City Clerk to open and tabulate ballots and report the election results.

Questions?



951-279-3780



Donna.Finch@CoronaCA.gov



www.CoronaCA.gov