

REQUEST FOR CITY COUNCIL ACTION

DATE: 05/03/2023

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT:

RESOLUTION INITIATING PROCEEDINGS TO INCREASE, LEVY AND COLLECT ASSESSMENTS IN CITY OF CORONA LANDSCAPE MAINTENANCE DISTRICT NO 84-2, ZONE 19, COMMENCING IN FISCAL YEAR 2024 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972, APPOINTING THE ENGINEER OF RECORD, AND ORDERING PREPARATION OF AN ENGINEER'S REPORT

EXECUTIVE SUMMARY:

This staff report asks the City Council to consider approving a resolution to initiate proceedings to increase the assessment in Landscape Maintenance District No 84-2, Zone 19, commencing in Fiscal Year 2024. The annual assessment in Zone 19 has not increased since July 1, 2022, and the zone is currently operating at a deficit due to ongoing increases in labor and maintenance costs. A Prop 218 ballot measure is required to increase the assessment with a 50% + 1 majority vote of the property owners.

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2023-038, initiating proceedings to increase, levy and collect assessments in City of Corona Landscape Maintenance District No. 84-2, Zone 19, commencing in Fiscal Year 2024 pursuant to the Landscaping and Lighting Act of 1972, appointing the Engineer of Record, and ordering preparation of an Engineer's Report.

BACKGROUND & HISTORY:

Landscape Maintenance District No. 84-2, Zone 19 ("LMD 84-2" or "Zone 19") was established in 1986 in accordance with the provisions of the Landscaping and Lighting Act of 1972. The purpose of this district is to provide landscape maintenance and operating services for the public landscaping and related appurtenances within the Zone 19 boundaries.

Zone 19 encompasses approximately 36.78 acres dispersed throughout South Corona and includes 3,692 benefit units. Annual assessments are levied on each benefit unit to pay

for services to maintain the landscaping within the public right-of-way, including all necessary operations, administration, capital improvements, and maintenance required to keep the capital improvements in satisfactory working condition. The current annual levy for Zone 19 is \$126.00 per benefit unit, and the assessment cannot be increased without a Prop 218 ballot measure which requires a 50% + 1 majority vote of the property owners to pass.

ANALYSIS:

The annual assessment in Zone 19 has not increased since July 1, 2022, and the zone is currently operating at a deficit due to ongoing increases in labor and maintenance costs that have occurred throughout the past 20 years. Costs are continuing to grow with new state regulations on weed treatments, mandated use of electric power equipment, and potential water use restrictions and conservation requirements. The LMD 84-2 Fund ended Fiscal Year 2022 with a negative fund balance of \$66,548, and this amount is projected to increase by an estimated \$100,000 by the end of Fiscal Year 2023. In addition to operating at a deficit, the zone also has approximately 330,000 square feet of landscape area that is missing plants and trees, and there are no funds available to replace these items.

On December 7, 2022, the City Council approved an Interfund Loan Agreement from the City's General Fund 110 to the LMD 84-2 Zone 19 Fund 468 in the amount of \$166,548 to cover the negative fund balance in Zone 19 and maintain current service levels through the end of Fiscal Year 2023. The City Council also directed staff to begin community outreach for a Prop 218 election to increase the annual levy in Zone 19.

From January through March 2023, staff conducted significant outreach to all residents in Zone 19 to identify their preferred service levels for landscaping. Outreach was provided through a variety of outlets, including video, website, emails, door hangers, lawn signs, postcards, FAQs, and a community meeting. Approximately 866 surveys were completed, which determined that 78% of residents supported increasing the assessment to maintain or enhance landscape services. The results of this outreach was presented to the City Council at a Study Session on March 15, 2023, at which time Council directed staff to initiate proceedings to increase the assessment in Zone 19.

Staff recommends that the City Council appoint Spicer Consulting Group, LLC to prepare the Engineer's Reports necessary to increase, levy and collect special assessments for Fiscal Year 2024 for Zone 19. The consultant has extensive experience in assessment district financing and administration and was selected as the City's special tax consulting service provider through a competitive process in January 2023.

The attached resolution initiates the proceedings pursuant to the 1972 Act to increase, levy and collect annual assessments within the district for the maintenance, servicing, and operation of public landscaping and appurtenant facilities within the districts' boundaries. The resolution also appoints Spicer Consulting Group, LLC as Engineer of

Record for the purpose of preparing the Engineer's Report for the district in Fiscal Year 2024.

FINANCIAL IMPACT:

The proposed fees of an amount not to exceed \$10,000 for LMD 84-2, Zone 19 from Spicer Consulting Group, LLC are for the preparation of the Fiscal Year 2024 Engineer's Report, calculation of the special assessment increase, submission of annual levy, as well as other administrative tasks. The cost will be paid by the special assessment collected within the district.

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 common sense exemption 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 activity is not subject to CEQA. This action merely sets the special taxes to be increased, levied and collected within the District for Fiscal Year 2024, and there is no possibility that adopting the resolution will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: DONNA FINCH, ASSISTANT TO THE CITY MANAGER

REVIEWED BY: JACOB ELLIS, CITY MANAGER

Attachments:

1. Exhibit 1 – LMD 84-2, Zone 19 Boundary Map
2. Exhibit 2 – Resolution No. 2023-038