



## REPORT TO CITY COUNCIL

**To:** Honorable Mayor and Members of the City Council

**From:** Jason Simpson, City Manager

**Prepared by:** Shannon Buckley, Assistant City Manager

**Date:** May 14, 2024

**Subject:** Citywide Landscaping and Street Lighting District and the Landscaping and Street Lighting District No. 1 for Fiscal Year 2024-25 Ordering the Preparation and Approval of Engineers' Reports and Resolutions of Intention

### **Recommendation**

1. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ORDERING THE PREPARATION OF AN ENGINEER'S REPORT FOR THE CITYWIDE LANDSCAPING AND STREET LIGHTING DISTRICT (CITYWIDE LLMD) and,
2. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING THE ENGINEER'S REPORT FOR THE CITYWIDE LLMD and,
3. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, DECLARING COUNCIL'S INTENTION TO PROVIDE AN ANNUAL LEVY AND COLLECTION OF ASSESSMENTS IN THE CITYWIDE LLMD AND SETTING A PUBLIC HEARING FOR JUNE 25, 2024; and
4. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ORDERING THE PREPARATION OF AN ENGINEER'S REPORT FOR THE LANDSCAPING & STREET LIGHTING MAINTENANCE DISTRICT NO. 1 (LLMD NO.1); and
5. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING THE ENGINEER'S REPORT FOR THE LLMD NO.1 and,
6. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, DECLARING COUNCIL'S INTENTION TO PROVIDE FOR AN ANNUAL LEVY AND COLLECTION OF ASSESSMENTS IN THE LLMD NO. 1 AND SETTING A PUBLIC HEARING FOR JUNE 25, 2024.

## **Background**

The City Council established a Citywide LLMD in 1988 to operate and maintain enhanced public street lighting, right-of-way landscaping, public street trees, and parks throughout the City. The Citywide LLMD was established under the California Landscaping and Lighting Act 1972. Several improvement areas were established within the Citywide LLMD based on the level and type of improvements maintained. These improvements then provided a basis for creating several benefit zones throughout the Citywide LLMD to ensure parcels were assessed based on their particular benefits.

The Citywide LLMD only includes those facilities found to be exempt by Proposition 218, a Constitutional Amendment passed by the voters in November 1996. Park facilities are not exempt per the Constitutional Amendment. Therefore, since November 1996, park maintenance was removed from the Citywide LLMD and provided through the General Fund. The assessment rate for the Citywide LLMD was set in 1996 and cannot be increased without voter approval.

In addition to the Citywide LLMD, the City Council established LLMD No. 1 in 2003 to operate and maintain enhanced public street lighting, right-of-way landscaping, public street trees, and parks of a specialized benefit area. These improvements are typically installed as a condition of approval for the subdivisions assessed, and each benefit zone within LLMD No. 1 has been created to fund these specialized improvements. Twenty-five benefit zones have been created. Each benefit zone represents a new development area since 2003.

The Landscaping and Lighting Act of 1972 requires that an annual review and updated Engineer's Report be prepared to set assessment rates each fiscal year. In addition, any new assessment districts or any annexation of additional property into existing assessment districts also requires an Engineer's Report to be generated. The Fiscal Year 2024-25 assessments in the Citywide LLMD and the LLMD No. 1 Preliminary Engineer's Report will be assessed on the Fiscal Year 2024-25 tax roll and are calculated by considering all anticipated expenditures for maintenance, utilities, and administration. Any excess dollars from previous fiscal years are carried over to current reports, and the assessment amounts are adjusted accordingly.

The assessment rates may or may not change from fiscal year to fiscal year, dependent upon maintenance to be performed, but cannot exceed the maximum amount set when the districts were initially formed, plus an annual cost of living adjustment (the Citywide LLMD has no cost of living adjustment). The amounts assessed for the Fiscal Year 2024-25 tax year are either at or below the maximum assessment authorization. As part of the process, the Landscaping and Lighting Act of 1972 requires an Engineer's Report to be filed and a Public Hearing to be held.

## **Discussion**

Attached hereto are two Resolutions ordering the preparation of the Engineer's Report for both districts for Fiscal Year 2024-25, two Resolutions accepting the Engineer's Report for both districts for Fiscal Year 2024-25, and two Resolutions declaring the City's intent to provide for an Annual Levy and Collection of Assessments in both Districts, setting a public hearing for June 25, 2024.

### **Fiscal Impact**

The Citywide LLMD is anticipated to generate approximately \$1,450,809 from the assessments to cover the anticipated landscaping and street lighting maintenance activities associated with public improvements benefiting properties within the district. The estimated cost for this maintenance is approximately \$2,213,246. Accordingly, the General Fund must cover the estimated gap of \$762,437. The assessment rates for parcels have no inflation factor included; therefore, the rates have not increased over Fiscal Year 2023-24.

It is anticipated that LLMD No.1 will generate approximately \$806,880 from the assessments to cover the anticipated landscaping and street lighting maintenance activities associated with public improvements benefiting properties within the district. There are approximately \$809,117 in expenditures. LLMD No. 1 is generally self-supporting, with one exception. Zone 4 of LLMD No. 1 requires a general fund contribution of \$14,255 to cover the general benefit portion of the park maintenance costs, as required by Article XIII D of the State Constitution (Proposition 218). The assessment rates for LLMD No. 1 include an inflationary increase of 2%.

### **Attachments**

Attachment 1 – Citywide LLMD Preliminary Engineer's Reports

Attachment 2 – LLMD No. 1 Preliminary Engineer's Reports

Attachment 3 - Resolution Ordering Preparation of Engineer's Report Citywide LLMD

Attachment 4 - Resolution Approving Engineer's Report Citywide LLMD

Attachment 5 - Resolution Declaring Public Hearing for June 25, 2024 Citywide LLMD

Attachment 6 - Resolution Ordering Preparation of Engineer's Report LLMD No. 1

Attachment 7 - Resolution Approving Engineer's Report LLMD No. 1

Attachment 8 - Resolution Declaring Public Hearing for June 25, 2024 LLMD No. 1