



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: June 25, 2024

Subject: Citywide Landscaping and Street Lighting District and the Landscaping and Street Lighting Maintenance District No. 1 for Fiscal Year 2024-25

Recommendation

1. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, CONFIRMING A DIAGRAM AND ASSESSMENT AND PROVIDING FOR ANNUAL ASSESSMENT LEVY AFTER FORMATION OF A DISTRICT FOR FISCAL YEAR 2024-25 FOR THE CITYWIDE LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT (LLMD); and
2. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, CONFIRMING A DIAGRAM AND ASSESSMENT AND PROVIDING FOR ANNUAL ASSESSMENT LEVY AFTER FORMATION OF A DISTRICT FOR FISCAL YEAR 2024-25 FOR THE LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT NO. 1.

Background

The City Council established a Citywide LLMD in 1988 to 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 of 1972. Several improvement areas were established within the Citywide LLMD based upon 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 upon special benefit to them.

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 has been provided through the General Fund.

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 Final 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 originally formed, plus an annual cost of living adjustment (the Citywide LLMD has no cost of living adjustment). The amounts being assessed for the Fiscal Year 2024-25 tax year are either at or below the maximum assessment authorization. As a part of the process, the Landscaping and Lighting Act of 1972 requires that an Engineer's Report must be filed, and a Public Hearing be held.

On May 14, 2024, the City Council adopted the appropriate resolutions to commence the proceedings for the annual levy of assessments for Fiscal Year 2024-25 for the Citywide LLMD and the LLMD No. 1. The Public Hearing was set for June 25, 2024.

Discussion

Attached hereto are two Resolutions confirming the diagram and assessment and providing for an annual assessment levy for both districts for Fiscal Year 2024-25. Details of the assessments are provided in the FY 2024-25 Final Engineer's Report for each district.

Fiscal Impact

It is anticipated the Citywide LLMD will 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, a General Fund subsidy of \$762,437 is included in the proposed City of Lake Elsinore Fiscal Year 2024-25 Annual Operating Budget. The assessment rates for parcels have no inflation factor included; therefore, the rates have not increased over Fiscal Year 2023-24.

It is anticipated 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 is approximately \$809,117 in expenditures, and therefore LLMD No. 1 is generally self-supporting with one exception. Zone 4 of LLMD No. 1 requires a 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 - Resolution for Levy of Assessments Citywide LMD

Attachment 2 - Resolution for Levy of Assessments LMD No. 1

Attachment 3 - Engineer's Report for Citywide LMD

Attachment 4 - Engineer's Report for LMD No. 1