



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 23, 2023

Subject: Citywide Landscaping and Street Lighting District and the Landscaping and Street Lighting District No. 1 for the Fiscal Year 2023-24 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);
2. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING THE ENGINEER'S REPORT FOR THE CITYWIDE LLMD;
3. 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 CITYWIDE LLMD AND SETTING A PUBLIC HEARING FOR JULY 11, 2023;
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);
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 JULY 11, 2023.

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 special benefits 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 has been 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. There are currently 25 benefit zones that 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 2023-24 assessments in the Citywide LLMD and the LLMD No. 1 Preliminary Engineer's Report will be assessed on the Fiscal Year 2023-24 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 2023-24 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 2023-24, two Resolutions accepting the Engineer's Report for both districts for Fiscal Year 2023-24, 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 July 11, 2023.

Fiscal Impact

The Citywide LLMD will generate approximately \$1,445,200 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 \$2,174,187. Accordingly, the General Fund must cover the estimated gap of \$728,987. The assessment rates for parcels have no inflation factor included; therefore, the rates have not increased over Fiscal Year 2022-23.

It is anticipated LLMD No.1 will generate approximately \$791,059 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 \$791,822 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 - Resolution Ordering Preparation of Engineer's Report Citywide
- Attachment 2 - Resolution Approving Engineer's Report Citywide
- Attachment 3 - Resolution of Intent Setting Public Hearing for July 11, 2023, Citywide
- Attachment 4 - Preliminary Engineer's Reports for Citywide
- Attachment 5 - Resolution Ordering Preparation of Engineer's Report LLMD1
- Attachment 6 - Resolution Approving Engineer's Report LLMD1
- Attachment 7 - Resolution of Intent Setting Public Hearing for July 11, 2023 LLMD1
- Attachment 8 - Preliminary Engineer's Report for LLMD No. 1