



CITY OF POMONA COUNCIL REPORT

June 5, 2023

To: Honorable Mayor and Members of the City Council

From: James Makshanoff, City Manager

Submitted By: Rene Guerrero, Public Works Director

SUBJECT: APPROVAL OF THE ENGINEER'S REPORT AND ADOPTION OF A RESOLUTION OF INTENT SETTING JULY 17, 2023 AS THE PUBLIC HEARING DATE REGARDING ANNEXATION OF ADDITIONAL TERRITORY AND THE LEVY OF ANNUAL ASSESSMENTS

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Approve the Engineer's Report for the Consolidated Citywide Street Lighting and Landscaping Maintenance District for FY 2023-24, including annexation of 136 additional parcels and the annual levy of assessments; and
- 2) Adopt the following Resolution:

RESOLUTION NO. 2023-89: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, TO ANNEX NEW TERRITORY AND LEVY FISCAL YEAR 2023-24 ASSESSMENTS FOR THE CONSOLIDATED CITYWIDE STREET LIGHTING AND LANDSCAPING MAINTENANCE DISTRICT AND SETTING JULY 17, 2023 AS THE DATE FOR THE PUBLIC HEARING ON THE MATTER

EXECUTIVE SUMMARY:

Adopting the Resolution (Attachment No. 1) will approve the Engineer's Report (Attachment No. 2) for the Consolidated Citywide Street Lighting and Landscaping Maintenance District and will set the Public Hearing date for the matter on July 17, 2023. These are the next steps required for the levy of assessments for FY 2023-24 and the annexation of additional territory, as set forth in the Landscaping and Street Light Act of 1972. The City Council will be asked to approve the collection of FY 2023-24 assessments after the July 17, 2023 public hearing. Approval will allow

the City to comply with the County Assessor's August 10, 2023 submittal deadline to ensure the amount is included on the tax bills for FY 2023-24.

FISCAL IMPACT:

Funding for the Consolidated Citywide Street Lighting and Landscaping Maintenance District (District) is derived from assessments of properties receiving benefits from the District. In the proposed budget, prepared prior to the draft Engineer's Report, the City conservatively estimated that the assessments will generate approximately \$1,266,255 for FY 2023-24. The draft engineer's report estimates a total levy of \$1,272,160 from a total of 7,891 parcels levied, including additional annual revenue of \$2,090.32 in Zone C from the 136 parcels being added to the Citywide lighting assessment through this process. The table below summarizes estimated revenues from the assessments, as described in the Engineer's Report:

Source of Funds	Phillips Ranch Zones A-B	Zones C and I	Total Zones D-F	University Corp. Center Zone H	Total
Assessment Revenue	\$951,811	\$142,818	\$114,693	\$62,838	\$1,272,160

Notes:

1. Since FY 1999-00, all parcels formerly in Zone G have now been included in Zone C.

The table below summarizes the estimated expenditures from the assessments. Where expenditures exceed revenues, fund balances will cover the shortfalls. It should be noted that in the Phillips Ranch Zone A-B, the fund balance is expected to be nearly depleted in FY 2022-23. The City hired a consultant in FY 2022-23 to increase the assessment in Phillips Ranch to a sustainable level. A ballot measure was presented to property owners in the Spring of 2023 to raise the assessment, but the measure did not pass. Consequently, the City has had to reduce services to keep the budget in line with revenues, as there will not be enough fund balance to cover shortfalls. Additionally, the City will conduct a Proposition 218 process for the University Corporate Center Zone H to raise the assessment, as the fund balance will be depleted by the end of Fiscal Year 2023-24.

Uses of Funds	Phillips Ranch Zones A-B	Zones C and I	South Garey Zones D-F	University Corp. Center Zone H	Total
Personnel Costs	\$178,233	\$39,698	\$31,518	\$4,284	\$253,733
Contractual Services	\$569,836	\$2,000	\$26,869	\$39,404	\$638,109
Utilities	\$139,600	\$80,000	\$46,803	\$11,510	\$277,913
Internal Services	\$0	\$0	\$0	\$0	\$0
Other Operating Costs	\$28,775	\$15,400	\$680	\$5,300	\$50,155
Total	\$916,444	\$137,098	\$105,870	\$60,498	\$1,219,910

PUBLIC NOTICING REQUIREMENTS:

In accordance with Sections 22552 and 22553 of the California Streets and Highways Code and California Government Code Section 6601, the City is required to post the Resolution of Intent on an official bulletin board known for posting notices and publish the Resolution of Intent in the newspaper at least ten (10) days prior to the date of a scheduled Public Hearing, currently set for July 17, 2023 at 7:00 p.m. The Preliminary Engineer's Report will be on file for public review in the Office of the City Clerk. There is no public notice requirement for the present action.

PREVIOUS RELATED ACTION:

On March 20, 2023, the City Council adopted Resolution No. 2023-42 authorizing David Taussig and Associates, Inc. (DTA) as the Engineer of Record for Fiscal Year 2023-24, and authorizing preparation of the Engineer's Report pursuant to the Provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, for the Annual Assessment Levy for the Consolidated Citywide Street Lighting and Landscaping Maintenance District for FY 2023-24.

DISCUSSION:

The City's first Street Lighting and Landscape Assessment District was established over 35 years ago. In July 1990, the City established a Consolidated Citywide District with six benefit/improvement zones (Zones A through F). In subsequent years, as new development occurred, additional Districts were formed, resulting in nine benefit/improvement zones (A through I). In 2000, the assessments collected from properties in Zone G paid off the outstanding obligations for streetlight improvements, and Zone G was combined into Zone C. The City's current "Consolidated Citywide District" includes nine established zones:

- Landscaping Only - Zone A (Phillips Ranch); and
- Lighting and Landscaping - Zone B (Phillips Ranch), Zone D (Garey Avenue – State Route 71/Lexington), Zone E (Garey Avenue – Auto Center), Zone F (Garey Avenue – Lexington to Ninth), and Zone H (University Corporate Center)
- Street Light Maintenance – Zone C (Citywide) and Zone I (Emerald Court)

With establishment of the Consolidated Citywide District, all new site developments are required to consent to inclusion in the assessment district for lighting and/or landscaping. As a result of this requirement, 136 parcels are being added to Zone C Citywide lighting. The new parcels are listed in the Engineer's Report. The revenue from the additional properties is included in the fiscal impact section of this report. Pursuant to the Landscaping and Street Lighting Act of 1972, the levy of the annual assessments of an established assessment district requires the following actions to be taken prior to the Assessment Roll submission to the Los Angeles County Auditor by August 10, 2023:

CONSOLIDATED DISTRICT RENEWAL PROCEEDINGS	DATE
City Council - Adopt Resolution Ordering Engineer's Report	March 20, 2023 (Completed)
City Council – 1) Approve Preliminary Engineer's Report, and 2) Adopt Resolution of Intent Setting the date of Public Hearing	June 5, 2023
City Council – 1) Conduct Public Hearing to receive public comment and testimony regarding the annual assessments, and 2) Adopt a Resolution approving the Assessment Diagram and the Levy of Assessments for FY 2022-23	July 17, 2023
File a certified copy of the diagram and assessments with the County Auditor	August 2023

There are no proposed increases to the assessment formulas within the District. Therefore, there are no Proposition 218 requirements to be met for the current action. However, due to rising costs

that exceed available revenues, an assessment increase would be necessary for certain portions of the District to provide a higher level of maintenance.

Prepared by:

Maritza Sosa-Nieves, Senior Management Analyst

ATTACHMENTS:

Attachment No. 1 – Resolution No. 2023-89

Attachment No. 2 – Engineer's Report