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# CITY OF POMONA COUNCIL REPORT

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June 3, 2024

To: Honorable Mayor and Members of the City Council

From: Anita D. Gutierrez, City Manager

Submitted By: Rene Guerrero, Public Works Director

**SUBJECT: APPROVAL OF THE ANNUAL ENGINEER OF RECORD REPORT AND ADOPTION OF A RESOLUTION OF INTENT SETTING JULY 15, 2024 AS THE PUBLIC HEARING DATE REGARDING ANNEXATION OF ADDITIONAL TERRITORY AND THE LEVY OF ANNUAL ASSESSMENTS**

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## **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 2024-25, including annexation of 147 additional parcels and the annual levy of assessments; and
- 2) Adopt the following resolution:

**RESOLUTION NO. 2024-78 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, TO ANNEX NEW TERRITORY AND LEVY FISCAL YEAR 2024-25 ASSESSMENTS FOR THE CONSOLIDATED CITYWIDE STREET LIGHTING AND LANDSCAPING MAINTENANCE DISTRICT AND SETTING JULY 15, 2024 AS THE DATE FOR THE PUBLIC HEARING ON THE MATTER**

## **EXECUTIVE SUMMARY:**

Adoption of Resolution No. 2024-78 (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 15, 2024. These are the next steps required for the levy of assessments for FY 2024-25 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 2024-25 assessments after the July 15, 2024 public hearing.

Approval will allow the City to comply with the County Assessor's August 9, 2024 submittal deadline to ensure the amount is included on the tax bills for FY 2024-25.

**SB1439/GOVERNMENT CODE §84308 APPLICABILITY:**

☐ When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Councilmembers are reminded to check their campaign contributions and determine whether they have received a campaign contribution of \$250 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of \$250 or more made 1) by any person or entity who is identified in the agenda report as the applicant or proposer or 2) on behalf of the applicant or participant, including a parent, subsidiary or otherwise related business entity, or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

**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 \$1,279,636 for FY 2024-25. The draft engineer's report estimates a total levy of \$1,281,896 from a total of 8,247 parcels levied, plus the additional annual revenue of \$2,259.59 in Zone C from the 147 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	\$152,515	\$114,747	\$62,823	\$1,281,896

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. Because the fund balance is nearly depleted in both the Phillips Ranch Assessment District (Zone AB) and the University Corporate Center (Zone H), annual expenditures and services have been reduced. For Phillips Ranch, the City hired a consultant in FY 2022-23 to study an increase to the assessment 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. The City has hired a consultant and is currently in the process of studying an increase to the assessment for the University Corporate Center Zone H for a possible Proposition 218 ballot measure. This process should be completed in FY 2024-25.

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	\$164,286	\$36,575	\$23,869	\$0	\$224,730
Contractual Services	\$563,322	\$2,000	\$28,088	\$59,002	\$652,412
Utilities	\$139,600	\$80,000	\$26,803	\$10,000	\$256,403
Internal Services	\$31,622	\$7,405	\$9,638	\$4,433	\$53,098
Other Operating Costs	\$25,991	\$15,550	\$880	\$5,300	\$47,721
<b>Total</b>	<b>\$924,821</b>	<b>\$141,530</b>	<b>\$89,278</b>	<b>\$78,735</b>	<b>\$1,234,364</b>

## **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 15, 2024 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 April 8, 2024, the City Council adopted Resolution No. 2024-49 authorizing David Taussig and Associates, Inc. (DTA) as the Engineer of Record for Fiscal Year 2024-25, and authorizing the 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 2024-25.

## **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 a total of 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, 147 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 9, 2024:

<b>CONSOLIDATED DISTRICT RENEWAL PROCEEDINGS</b>	<b>DATE</b>
<b>City Council</b> - Adopt Resolution Ordering Engineer's Report	April 8, 2024 (Completed)
<b>City Council</b> – 1) Approve Preliminary Engineer's Report, and 2) Adopt Resolution of Intent Setting the date of Public Hearing	June 3, 2024
<b>City Council</b> – 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 2024-25	July 15, 2024
File a certified copy of the diagram and assessments with the County Auditor	August 2024

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 may 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. 2024-78

Attachment No. 2 – Engineer's Report