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# CITY OF POMONA COUNCIL REPORT

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April 23, 2018

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Meg McWade, Public Works Director

**Subject: Formation of the Phillips Ranch Assessment District Ad Hoc Committee Responsible to Provide Recommendations on Service and Funding Levels**

## OVERVIEW

**Recommendation** – That the City Council affirm the recommendation of Mayor Sandoval and Councilmember Escobar by:

1. Approving the formation of the Phillips Ranch Assessment District Ad Hoc Committee; and
2. Appointing nine (9) community members and one alternate to serve on the Ad Hoc Committee.

**Fiscal Impact** – There are no direct short-term fiscal impacts with the creation and work of the Phillips Ranch Ad Hoc Committee other than the use of staffing resources. The Committee recommendations, along with any fiscal impact, will be provided to the City Council for consideration. In order to implement any recommended assessment increases, the increases would be subject to a formal Engineer's Report and subsequent Prop 218 voting process.

**Previous Related Action** – None.

## EXECUTIVE SUMMARY

The formation of the Phillips Ranch Assessment District Ad Hoc Committee will provide a citizens group to examine current service and assessment levels and make recommendations for revisions. The resulting recommendations will be presented to the City Council to determine future service and assessment levels for an area that has not had an assessment increase since the 1990's. Any changes to the assessment amounts would be subject to a voting process for the property owners within the Phillips Ranch Assessment District.

## **BACKGROUND**

Because development frequently creates a need for new or additional services and facilities, the benefits conferred on property owners by those services and facilities provide a justification for requiring property owners to pay a share of the associated costs. A common example of such services is the maintenance of parks, median landscaping, and street lighting constructed and installed as part of new development projects. Thus, it has historically been common to see new assessment districts formed, under the Landscaping and Lighting Act of 1972, as part of the development process.

Similarly, the Phillips Ranch Assessment District was formed as part of the development process in order to collect annual assessment for the maintenance and service of landscaping and lighting in the area. Phillips Ranch Landscaping Zones A and B were originally established in June 1980 as Phillips Ranch Maintenance District No. 1. These assessments provided for the ongoing maintenance of the new development's improved areas with maintenance cost increases offset by corresponding assessment increases.

With the passage of Proposition 218, which voters approved in November 1996, the ability of local governments to collect existing and future taxes changed. A mailed ballot process is required to approve any assessment increases. Because of this change to the assessment increase process, there has not been a rate escalator or assessment increase in Phillips Ranch since the 1990's despite rising costs in labor and materials needed to preserve neighborhood landscaping. Without the increase in assessments, service levels have been decreased so that revenues are not exceeded. In the late 2000's, for example, service levels in the Phillips Ranch area were reduced due to expenditures exceeding revenues.

## **DISCUSSION**

At a community meeting in the Phillips Ranch area, discussion occurred regarding the condition of the Assessment District. It was recommended that a committee be formed expressly for the purpose of determining assessment costs and service levels in the Phillips Ranch area. In December, an announcement was sent, via E-mail, to all interested parties that had signed up at the community meeting. A notice regarding the Committee, with a link to the application materials, was also placed on the City's website inviting interested property owners to sign up to serve on the Committee. Additionally, the announcement was sent via the City's twitter account. While the City received applications from the original posting, the application period was opened a second time to provide an additional opportunity for residents in the District to apply.

Since the opening of the process, the City received a total of 11 applications. Of these applications, one applicant was determined ineligible as the applicant resides outside of the Assessment District. Further, Staff recommended that an odd number of members be selected to ensure a majority vote on matters discussed, resulting in one of the applicants being recommended as an alternate.

Mayor Sandoval and Councilmember Escobar have made a joint recommendation that the following individuals (applications are attached) serve on the Committee:

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1. Barry Lawrence
2. Brian Mundy
3. Carlos Goytia
4. Dennis Chiappetta
5. Jorge Grajeda
6. Juergen Jung
7. Philip Marino
8. Ron Cobas
9. Scott Harmon

Alternate-Steve Lustro

With the selection and approval of Ad Hoc Committee members by City Council, the Committee would begin its meetings to review current service levels and assessment district funding. Through the meeting process, the Committee would be responsible to make recommendations on service levels, assessment levels, and any future escalators. The Committee would also be responsible for designing and implementing a plan to obtain the Phillips Ranch community's input as part of the process. Once a Committee consensus is reached on recommended service levels and accompanying assessment district rates, the recommendations would be provided to City Council for consideration. With City Council approval, the City would then begin the appropriate process as required by the Lighting and Landscape Act of 1972 and Proposition 218 to obtain rate change approval from the property owners in the District.

It is recommended that City Council approve the formation of the Phillips Ranch Assessment District Ad Hoc Committee including the recommended members, to develop and implement strategies to maintain and/or improve service levels in the Phillips Ranch Assessment District area.

Attachment: Phillips Ranch Assessment District Ad Hoc Committee Applications

Prepared by: Irene Madrid, Program Specialist

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