



CITY OF POMONA COUNCIL REPORT

June 4, 2018

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Meg McWade, Public Works Director

Subject: **Approval of the Engineer's Report for Consolidated Citywide Street Lighting and Landscaping Maintenance District for Fiscal Year 2018-19, and Adoption of a Resolution of Intent Setting July 2, 2018 as the Public Hearing Date Regarding Annexation of Additional Territory and the Levy of Annual Assessments**

OVERVIEW

Recommendations – That the City Council:

1. Approve the Engineer's Report for Consolidated Citywide Street Lighting and Landscaping Maintenance District (the "District") for FY 2018-19, including annexation of 57 additional parcels and the annual levy of assessments; and
2. Adopt a Resolution of Intent, setting July 2, 2018 as the date for the Public Hearing regarding the levy and collection of FY 2018-19 assessments for the Consolidated Citywide Street Lighting and Landscaping Maintenance District.

Fiscal Impact – Funding for the Consolidated Citywide Street Lighting and Landscaping Maintenance District (Assessment District) is derived from assessments to properties receiving benefits from the District and is anticipated to generate \$1,253,896, plus a City contribution of \$4,088, for a total of \$1,257,984 for FY 2018-19. This number includes \$4,186 in additional annual revenue from the 57 parcels being added to the Citywide lighting assessment through this process. The approved Engineer of Record, Harris & Associates, has determined the City's Assessment District is in compliance with Proposition 218 (Prop 218). There are no rate changes proposed in the current Engineer's report for Fiscal Year 2018-19.

Public Notice Requirements – In accordance with Section 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 in the newspaper the Resolution of Intent, at least 10 days prior to the date of a scheduled Public Hearing, currently set for July 2, 2018 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 Council Action – On March 19, 2018, the City Council adopted Resolution No. 2018-22, authorizing Harris & Associates as the Engineer of Record for Fiscal Year 2018-19, 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 2018-19.

EXECUTIVE SUMMARY

The proposed action will approve the Engineer's Report (Attachment 2) for the Consolidated Citywide Street Lighting and Landscaping Maintenance District and adopt the Resolution of Intent (Attachment 1) setting July 2, 2018 as the Public Hearing date. These are the next steps required for the levy of assessments for FY 2018-19 and annexation of additional territory, as set forth in the Landscaping and Street Light Act of 1972. The City's final action to approve the collection of FY 2018-19 assessments will be taken after the public hearing on July 2, 2018. Approval will allow the City to make the County Assessor's August 3, 2018 submittal deadline to insure the amount is included on the tax bills for FY 2018-19. The revenues will provide funding for District landscaping and lighting maintenance costs.

An Ad Hoc Committee has been established to review service levels and assessment rates for the Phillips Ranch Assessment District; however, this work is planned to be completed in advance of the Fiscal Year 2019-20 assessment process. There are no proposed increases for the current FY 2018-19 assessments.

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 eight 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. As a result of this requirement, 57 parcels are being added to Zone C Citywide lighting. The new parcels are listed on page 13 of 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

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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 3, 2018:

| CONSOLIDATED DISTRICT RENEWAL PROCEEDINGS | DATE |
|---|-------------------------------|
| City Council - Adopt Resolution Ordering Engineer's Report | March 19, 2018 (Completed) |
| Preliminary Parcel Map Reconciliation | May 1, 2018 (Completed) |
| Complete Draft Preliminary Engineer's Report | May 22, 2018 (Completed) |
| City Council – 1) Approve Preliminary Engineer's Report, and 2) Adopt Resolution of Intent Setting the date of Public Hearing | June 4, 2018 |
| 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 2017/18 | July 2, 2018 |
| File a certified copy of the diagram and assessments with the County Auditor | By August 3 |

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. It should be noted that there has been no increase to District assessments since FY 1996-1997.

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. On April 23, 2018, the City Council approved the formation of the Phillips Ranch Assessment District Ad Hoc Committee (Committee). The Committee is a citizens group which will be examining current service and assessment levels and making recommendations for revisions. The first Committee meeting was held on May 16, 2018. It is anticipated the work of the Committee will be completed in advance of the FY 2019-20 assessment process. Any increase to the assessment would be voted on by the affected property owners.

Attachments: 1. Resolution Declaring Intention to Annex Additional Territory and the Annual Levy and Collection of Assessments and Setting a Time and Place for Public Hearing
2. Engineer's Report – FY 2018-19

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