

REPORT TO THE CITY COUNCIL



DATE: May 7, 2019

TITLE: Lighting and Landscape Maintenance Districts and Drainage Assessment Districts Initiate Proceedings for the FY 2019-20 Levy and Collection of Assessments

Prepared by: Web Municipal Finance, LLC, Tax Administration Consultant

Reviewed by: Linda Kelly, Finance Director

RECOMMENDATION

- 1) Adopt a Resolution of the City Council initiating proceedings for the levy and the collection of assessments for the Citywide Landscape and Lighting Maintenance District No. 1 Zone A and Zone B for Fiscal Year 2019-2020;
- 2) Adopt a Resolution of the City Council initiating proceedings for the levy and the collection of assessments for the Landscape and Lighting Maintenance District No. 2 for Fiscal Year 2019-20; and
- 3) Adopt a Resolution of the City Council initiating proceedings for the levy and collection of assessments for the Drainage Assessment District No. 1 for the Fiscal Year 2019-20.

BACKGROUND:

The Landscaping and Lighting Act of 1972 (the "Act"), which is set forth in California Streets and Highways Code sections 22500-22679, provides for the levy and collection of assessments by the County of Riverside for the City of Desert Hot Springs to pay the maintenance and servicing costs of all improvements and facilities related thereto, including for the installation, construction, and maintenance of landscaping, lighting, and park and recreational facilities, including graffiti removal. The Citywide Landscape and Lighting Maintenance District No. 1 and Landscape and Lighting Maintenance District No. 2 were established pursuant to the Act.

The Benefit Assessment Act of 1982, Chapter 6.4, Division 2, Title 5 of the California Government Code (commencing with Section 54703) (the "1982 Act"), Article XIID of the Constitution of the State of California ("Article XIID") and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750, et. seq.) (the "Implementation Act") (the 1982 Act, Article XIID and the Implementation Act are referred to collectively as the "Assessment Law"), provide for the levy and collection of assessments by the County of Riverside for the City of Desert Hot Springs to pay the maintenance and services of all improvements and facilities related thereto, including for the operation, maintenance and servicing of landscaping, sidewalks, trees, street lighting, park facilities, parkways, street tree lighting and appurtenant facilities.

In order to continue the annual assessments of all three of these Districts, the Act and the Assessment Law require the City Council conduct certain proceedings each year it intends to extend the life of the assessments for each District for an additional year. Such proceedings generally require the adoption of intention resolutions, the preparation of an Engineer's Report, the holding of a noticed public hearing, and the adoption of a resolution levying the assessments. Since there are no proposals to increase the amounts of the subject annual assessments, there is no need for any assessment protest proceedings, like the ones that were conducted when the three Districts were originally established.

Pursuant to the Act, an Engineer's Report was prepared containing the following information:

- A description of the improvements or services to be financed;
- An estimate of the cost of the improvements or services (and incidental expenses such as costs for financing, assessment engineering, collection, and notice and protest requirements);
- An assessment diagram depicting the boundaries of each of the assessment districts and the parcels contained in each;
- A description of the method of apportioning the assessments against properties in each of the assessment districts; and
- An assessment roll listing the parcels to be assessed and the proposed assessment against each.

The Engineer's Report will be presented to the City Council at the May 21, 2019, meeting.

These resolutions will provide for the collection of assessments by the County of Riverside for the City of Desert Hot Springs to pay the maintenance and services of all improvements and facilities related thereto and file with the City Clerk the Engineer's Annual Levy Report for the Districts for the Fiscal Year commencing July 1, 2019 and ending June 30, 2020.

The general process of annually funding this District requires the City to prepare an Annual Engineer's Report declaring the cost of improvements related to maintenance in the Districts. After the statutorily required process, an annual levy based upon this Engineer's Report, is then placed upon the County of Riverside's Property Tax Roll.

Citywide Landscape and Lighting Maintenance District No. 1 Fiscal Year 2019-20

The City Council has by previous Resolutions formed and levied annual assessments for the Citywide Landscape and Lighting Maintenance District No. 1, Zone A and Zone B, pursuant to the provisions of the Act, that provides for the levy and collection of assessments by the County of Riverside for the City of Desert Hot Springs to pay the maintenance and services of all improvements and facilities related thereto.

The City Council has retained Webb Municipal Finance, LLC, for the purpose of assisting with the Annual Levy of the District, and to prepare and file a report with the City Clerk in accordance with the Act, and staff is requesting that it direct Webb Municipal Finance, LLC to prepare and file with the City Clerk the Engineer's Annual Levy Report concerning the levy and collection of assessments for the District for the Fiscal Year commencing July 1, 2019, and ending June 30, 2020, in accordance with Chapter 3, Section 22622 of the Act.

The improvements include the construction, operation, maintenance and servicing of landscaping, sidewalks, trees, street lighting, park facilities, parkways, street tree lighting and appurtenant facilities. Services and maintenance include, but is not limited to, personnel, electrical energy and lease costs from Edison, utilities such as water and gas, equipment, maintenance vehicles, materials, contracting services, and other items necessary for the satisfactory operation of the facilities.

Landscape and Lighting Maintenance District No. 2 for Fiscal Year 2019-20

The City Council has by previous Resolutions formed and levied annual assessments for the Desert Hot Springs Landscape and Lighting Maintenance District No. 2 pursuant to the provisions of the Act that provides for the levy and collection of assessments by the County of Riverside for the City of Desert Hot Springs to pay the maintenance and services of all improvements and facilities related thereto.

Here too, the City Council retained Webb Municipal Finance, LLC for the purpose of assisting with the Annual Levy of the District, and to prepare and file a report with the City Clerk in accordance with the Act. Staff is also requesting that the City Council direct Webb Municipal Finance, LLC to prepare and file with the City Clerk the Engineer's Annual Levy Report concerning the levy and collection of assessments for the District for the Fiscal Year commencing July 1, 2019, and ending June 30, 2020, in accordance with Chapter 3, Section 22622 of the Act.

The Improvements provided within Landscape and Lighting Maintenance District No. 2, Zones 1 through 15, 17 and 18 may include, but are not limited to, ground cover, shrubs, plants and trees, irrigation systems, landscape lighting, street lighting, graffiti removal, sidewalks and masonry walls, entry monuments, tot lot equipment and associated appurtenant facilities. Services provided include all necessary service, operations, administration and maintenance required to keep the above-mentioned improvements in a healthy, vigorous and satisfactory working condition.

Drainage Assessment District No. 1 Fiscal Year 2019-20

Additionally, the City Council has by previous Resolutions formed and levied annual assessments for the Drainage Assessment District No. 1, pursuant to the provisions of the Assessment Law, that provides for the levy and collection of assessments by the County of Riverside for the City of Desert Hot Springs to pay the maintenance and services of all improvements and facilities related thereto.

The City Council has retained Webb Municipal Finance, LLC, for the purpose of assisting with the Annual Levy of the District, and to prepare and file a report with the City Clerk in accordance with the Assessment Law. Staff requests that the City Council direct Webb Municipal Finance, LLC, to prepare and file with the City Clerk the Engineer's Annual Levy Report concerning the levy and collection of assessments for the District for the Fiscal Year commencing July 1, 2019, and ending June 30, 2020, in accordance with the Assessment Law.

The improvements include the construction, operation, maintenance and servicing of landscaping, sidewalks, trees, street lighting, park facilities, parkways, street tree lighting and appurtenant facilities. Services and maintenance include, but is not limited to, personnel, electrical energy and lease costs from Edison, utilities such as water and gas, equipment, maintenance vehicles, materials, contracting services, and other items necessary for the satisfactory operation of the facilities.

FISCAL IMPACT:

The cost of professional services to initiate proceedings for the levy and collection of assessments for the Fiscal Year 2019-20 Districts' Annual Levy authorization is included in the Fiscal Year 2019-20 budget for the administration of the Districts.

EXHIBIT(S):

- 1) Resolution – Citywide Landscape and Lighting Maintenance District No.1 Zones A and B for Fiscal Year 2019-20
- 2) Council Members Property Map – LLMD No. 1
- 3) Resolution – Landscape and Lighting Maintenance District No. 2 for Fiscal Year 2019-20
- 4) Council Members Property Map – LLMD No. 2
- 5) Resolution – Drainage Assessment District No. 1 for Fiscal Year 2019-20
- 6) Council Members Property Map – DAD No. 1