

## REPORT TO THE CITY COUNCIL

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**DATE:** June 18, 2019

**TITLE:** Landscape and Lighting Maintenance District No. 1 Levy and Collection of Assessments to Fund Improvements for Fiscal Year 2019-20

**Prepared by:** Webb Municipal Finance, LLC, Tax Administration Consultant

**Reviewed by:** Geoffrey Buchheim, Acting Finance Director

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### RECOMMENDATION

- 1) Staff Report;
- 2) Entertain questions of Staff from the City Council;
- 3) Open the Public Hearing;
- 4) Take testimony;
- 5) Close the Public Hearing;
- 6) City Council discussion and questions of Staff; and
- 7) Adopt a Resolution of the City Council of the City of Desert Hot Springs, State of California, Approving the Levy and Collection of Assessments to Fund Improvements within Landscape and Lighting Maintenance District No. 1 for Fiscal Year 2019-20.

### BACKGROUND:

The City Council has by previous resolutions formed and levied annual assessments for Landscape and Lighting Maintenance District No. 1 (the "District No. 1") pursuant to the Landscape and Lighting Act of 1972, and Articles XIIC and XIID of the Constitution of the State of California (collectively, "Assessment Law") to pay for the maintenance of improvements and facilities and services related thereto by all parcels that have special benefit conferred upon them. Under the Assessment Law, all parcels that have special benefits conferred upon them as a result of the maintenance and operation of improvements shall be identified, and the proportionate special benefit received by each identified parcel shall be determined in relationship to the entire cost of the maintenance and operation of improvements. Only parcels that receive special benefit are assessed, and each parcel is assessed in proportion to the estimated benefit received.

The improvements provided within District No. 1 to be maintained and serviced include landscaping, sidewalks, trees, street lights, parks, parkways, tree lights and appurtenant facilities. Costs associated with the maintenance and services include, but are not be limited to, costs for personnel, electrical, lease fees, utilities such as water and gas, equipment, maintenance vehicles, materials, contracting services, and other items necessary for maintaining and servicing the improvements.

### DISCUSSION

On May 21, 2019, the City Council declared its intention via adoption of a resolution for the levy and collection of assessments against the parcels within District No. 1 for the Fiscal Year commencing July 1, 2019 and ending June 30, 2020. The City Council did so based in part on the annual engineer's report declaring the cost of improvements related to maintenance in District No. 1 ("Engineer's Report"), prepared by Webb Municipal Finance, LLC (WMF).

On May 21, 2019 in accordance with applicable law, notice was duly given to property owners within District No. 1 that a public hearing would be held on June 18, 2019 where the City Council would consider the proposed levy and assessment, the Engineer's Report, and all oral and written statements, protests, and communications made or filed by interested parties.

The existing levy generates \$564,554.64 from properties within Zone A which are assessed \$40.56 per parcel, and \$10,577.74 from Zone B. Zone B is assessed at \$0.52 per linear foot of street frontage on either Pierson Boulevard or Palm Drive.

Approval of the attached resolution will require that the improvements in District No. 1 be carried out, that the county auditor enters the amount of the levy on the property tax roll for the affected parcels, and that the money received from the assessment be deposited in an account to fund District No. 1 improvements.

Failure to place the levy on the tax rolls would require decreasing, or even closure and abandonment of District No. 1 services.

**FISCAL IMPACT:**

According to the Engineer's Report, the estimated cost for District No. 1 improvements for Fiscal Year 2019-20 will be \$801,438.70. The total annual levy will be \$575,130.30 absent any subsidy, to fund the improvements. An estimated \$230,000 will be transferred from the general fund to subsidize the cost for maintaining the improvements in Fiscal Year 2019-20.

**EXHIBITS:**

- 1) Resolution Authorizing the Levy and Collection of Assessments within Landscape and Lighting Maintenance District No. 1 for Fiscal Year 2019-20
- 2) Final Engineer's Report for Fiscal Year 2019-20
- 3) City Council Properties Map