

REPORT TO THE CITY COUNCIL



DATE: June 18, 2019

TITLE: Drainage Assessment 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

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 of Desert Hot Springs, County of Riverside, California Approving and Ordering the Levy and Collection of Assessments within Drainage Assessment District No. 1 for Fiscal Year 2019-20

BACKGROUND:

The City Council of the City of Desert Hot Springs ("City") formed Drainage Assessment District No. 1 ("District") pursuant to the Benefit Assessment Act of 1982, Title 5 Division 2, of the California Government Code (Government Code §§ 54703-54720) ("Act"). The City Council desires to levy and collect assessments against parcels of land within the District for the Fiscal Year commencing July 1, 2019 and ending June 30, 2020, in order to fund expenses for operating, maintaining and servicing the improvements within the District.

The general process of annually funding this District requires Webb Municipal Finance, LLC (WMF), (retained by the City) to prepare an Annual Engineer's Report declaring the cost of improvements related to facilities maintenance in the District. 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. A copy of the Fiscal Year 2019-20 Final Engineers Report for Drainage Assessment District No. 1, prepared by WMF, is attached hereto and incorporated herein by this reference.

In accordance with the requirements of the Act, specifically Government Code Section 54716(d), the City Council will now hold a Public Hearing on June 18, 2019 for the Resolution Approving and or Amending the Final Engineer's Report prepared in connection with the levy and collection of assessments. At this meeting, it will consider all oral and written statements, protests and communications made or filed by interested parties.

DISCUSSION:

Pursuant to the Act and Article XIID of the Constitution of the State of California, all parcels that have special benefit conferred upon them as a result of the maintenance and operation of improvements shall be identified, and the proportionate special benefit derived 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 primary improvements and services which will be financed by the assessments may include, but are not limited to, flood control facilities, graffiti removal, masonry walls, and

associated appurtenant street facilities. Services provided include all necessary service, operation, administration and maintenance required to maintain the aforementioned improvements in satisfactory working condition.

Failure to place the levy on the tax rolls would require decreasing certain District service levels, including the closure or abandonment of the District itself.

FISCAL IMPACT:

On February 1 of each Fiscal Year after base year (2004-2005), the maximum amount of each assessment (the "Maximum Assessment") shall be increased by 2%. The District formation requirements specifically provide that the Maximum Assessment shall be increased each Fiscal Year, computed on the previous Fiscal Year's Maximum Assessment. The annual assessment may be less then, but shall not exceed the Maximum Assessment, unless appropriate proceedings are conducted by the City Council to authorize any increase beyond the Maximum Assessment.

The following table provides information regarding the Fiscal Year 2019-20 assessments for Drainage Assessment District No. 1:

Zone	Description	FY 2019-20 Per Parcel Assessment	EDU's	FY 2019-20 Levy
Zone 1	Hacienda Heights	\$104.06	203	\$21,124.18
Zone 2	Desert View II & III	\$270.24	81	\$21,889.44
Zone 3	Foxdale	\$436.44	59	\$25,749.96
Zone 4	Vista Hacienda	\$104.34	153	\$15,964.02
Zone 5	Eagle Point	\$98.58	92	\$9,069.36
Zone 6	Sunset Springs	\$335.66	63	\$21,146.58
Zone 7	El Dorado	\$233.56	40	\$9,342.40
Zone 8	Desert View 4	\$238.86	31	\$7,404.66
Zone 9	Hidden Springs Rancho Buena	\$0.00	0	\$0.00
Zone 10	Vista	\$300.96	33	\$9,931.68
Zone 11	Summit	\$0.00	0	\$0.00
Zone 12	Skyborne	\$86.82	394	\$34,207.08
Zone 13	Vista Santa Fe	\$249.84	32	\$7,994.88
Zone 14	Rolling Hills Est.	\$358.44	47	\$16,846.68
Zone 16	Hunter's Run	\$0.00	0	\$0.00
Zone 17	The Arbors	\$274.18	33	\$9,047.94
				<u>\$209,718.86</u>

EXHIBIT(S):

- 1) Resolution Ordering the Levy and Collection of Assessments within Drainage Assessment District No. 1, for Fiscal Year 2019-20
- 2) Final Engineer's Report for Fiscal Year 2019-20
- 3) Boundary Map for Council Recusal Purposes