



STAFF REPORT

CITY of YORBA LINDA

PUBLIC WORKS DEPARTMENT

DATE: MAY 3, 2022

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JAMIE LAI, P.E., DIRECTOR OF PUBLIC WORKS/CITY ENGINEER
PREPARED BY: AUSTIN POSTOVOIT, SENIOR MANAGEMENT ANALYST

SUBJECT: CANCELLATION OF STREET LIGHTING AND LANDSCAPE
MAINTENANCE ASSESSMENT DISTRICT (LMAD) SPECIAL
ASSESSMENT FEES FROM ASSESSMENT YEAR'S 2016 TO 2020 FOR
APN 351-581-89

RECOMMENDATION

It is recommended that the City Council cancel the Street Lighting and Landscape Maintenance Assessment District (LMAD) special assessment fees from assessment years 2016 to 2020 for APN 351-581-89, and direct staff to provide written authorization to the Office of the Treasurer-Tax Collector to remove the specified charges.

BACKGROUND

The City's Street Lighting and Landscape Maintenance Assessment District (LMAD) was formed pursuant to the Landscaping and Lighting Act of 1972 ('72 Act), which is included in the State of California Streets and Highways Code Division 15, Part 2, and the provisions of the California Constitution, Article XIII D (commonly referred to as Proposition 218). Under such provisions, the City annually levies and collects special assessments for the City's LMAD in order to provide and maintain various landscaping, lighting and traffic signal improvements throughout the City that provide benefits to properties within the LMAD. As part of this process, the City annually submits the assessment amounts for each parcel by APN to the Orange County Auditor/Controller's Office for placement on the annual property tax roll.

At any point, the County may notify the City of parcels on which the County requests that the City remove the LMAD assessment. The County makes such requests when the property taxes on the property are delinquent and have not been paid for a number of years. In the usual course, the County proceeds to auction off the properties for failing to pay the taxes; however, the County does not auction parcels that are tax exempt or government owned.

DISCUSSION

On March 11, 2022, by way of the City's consultant, Willdan Financial Services, the City received a request from the Office of the Treasurer-Tax Collector (County) to consider

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cancellation of LMAD special assessment fees for APN 351-581-89 from assessment year's 2016 to 2020. Since the parcel has been delinquent for several years, as a result of the outstanding LMAD special assessment fees, the County also requested that staff research the issue. The subject parcel has historically been considered by the County to have a land use of Residential Single Family since the time of its development; however, the parcel has no improvement value and has been assessed by the County as Vacant/Rural (Undeveloped). Willdan's staff confirmed that the parcel is actually a street-adjacent landscape area and thus a part of the District's improvements. Therefore, the parcel should be classified by the County as exempt. The parcel identified is located within LMAD Arterial Landscaping Zone A-2, along Esperanza Road between Dominguez Ranch Road and Via Del Cazador. Further, the area in question is comprised primarily of streetscape landscaping, which is being maintained by the LMAD.

On a going forward basis starting with FY 2022/23, the land use classification for this parcel will be revised to "exempt" (not to be assessed). Willdan subsequently advised City staff of the parcel information and advised cancellation of the assessment. Staff concurred with Willdan's evaluation and proposed recommendation for cancellation. Based on the reclassification of the parcel's land use and its existing delinquent status, staff is recommending cancellation of the parcel's special assessment fees for assessment year's 2016 to 2020. In order for the County to remove this property from the auction list as it cannot auction parcels that are tax exempt, the originating agency (the City in this case), must provide written authorization. Therefore, staff is also recommending Council direct staff or it's consultant to provide such written authorization to comply with the County procedures.

FISCAL IMPACT

Cancellation of the special assessment fees for assessment year's 2016 to 2020 amounts to a total revenue loss of \$967.16, within the LMAD Assessment Revenue Account (2015110-382010). However, based on its existing delinquent status, there is a low potential of recovering such fees.

ALTERNATIVES

The City Council could not approve the cancellation of the special assessment fees, which would leave the assessments on this parcel and the parcel would continue to be in a tax default status. Based on the reclassification of the land use classification of this parcel going forward, staff does not recommend this alternative.

ATTACHMENTS

1. Letter from Office of the Treasurer-Tax Collector dated March 11, 2022
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