



STAFF REPORT

CITY of YORBA LINDA

PUBLIC WORKS DEPARTMENT

DATE: JUNE 7, 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: RESOLUTION NO. 2022-5802, ORDERING THE COSTS FOR CERTAIN IMPROVEMENTS IN THE CITYWIDE YORBA LINDA LIGHTING AND LANDSCAPING MAINTENANCE DISTRICT TO BE RAISED THROUGH INSTALLMENTS OVER A PERIOD OF YEARS, THE CONFIRMATION OF THE DIAGRAM BOUNDARIES AND ASSESSMENTS FOR FY 2022/23 FOR THE CITYWIDE YORBA LINDA LIGHTING AND LANDSCAPING MAINTENANCE DISTRICT (LMAD)

RECOMMENDATION

Adopt proposed Resolution No. 2022-5802 (Attachment 1), pursuant to the provisions of the Landscaping and Lighting Act of 1972, ordering that the costs for certain improvements in the Citywide Yorba Linda Lighting and Landscaping Maintenance Assessment District shall be raised through installments over a period of years, confirming the diagram boundaries and assessments for FY 2022/23 for the Citywide Yorba Linda Lighting and Landscaping Maintenance Assessment District, overruling all protests concerning the assessments, and levying the assessments confirmed herein.

BACKGROUND

The City's Street Lighting and Landscaping Maintenance Assessment District (LMAD) was formed pursuant to the Landscaping and Lighting Act of 1972 ("1972 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).

Although consolidated into a single assessment district, the LMAD is actually comprised of various traffic signal, lighting, and landscaping benefit zones, which address the variations in the nature, location, and the extent of the improvements that provide special benefits to parcels in the LMAD. Within the boundaries of the LMAD, parcels are assigned to various Zones each of which is associated with a set of improvements and/or type of improvements that provide special benefit to properties within that zone.

At the May 17, 2022, City Council meeting, the City Council adopted Resolution No. 2022-5800 declaring its intention to levy and collect assessments within the City's LMAD for FY 2022/23 and setting a time and place for a public hearing concerning the levy of annual

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assessments to be June 7, 2022. Also, at the May 17, 2022, City Council meeting, the City Council adopted Resolution No. 2022-5799, approving the Engineer's Report regarding the levy of an annual assessment with the City's LMAD for FY 2022/23.

DISCUSSION

At this Public Hearing, all public comments, and written protests regarding the LMAD and the annual levy of assessments will be heard. Pursuant to Streets and Highways Code § 22630, during the course or upon the conclusion of the public hearing on June 7, 2022, the City Council may order changes in any of the matters provided in the FY 2022/23 Engineer's Report (Attachment 2). The assessments, if approved, will be submitted to the Orange County Auditor/Controller by August 10, 2022, to be included on the property tax roll for each parcel.

By adopting the proposed Resolution No. 2022-5802, the City Council is confirming the levying of assessments and authorizing that the estimated costs associated with certain improvements in the LMAD, in all Zones, be collected in installments (not to exceed five fiscal years) and held in a reserve account for future use of said improvements, as identified in the City's LMAD Capital Improvement Program attached hereto as an exhibit to the proposed Resolution which is recommended to be approved by the City Council at this June 7, 2022 City Council meeting. After considering any public comments and written protests, staff recommends the City Council adopt proposed Resolution No. 2022-5802.

FISCAL IMPACT

As identified in the Engineer's Report, the total estimated annual LMAD assessments for FY 2022/2023 amount to \$8,071,197. The General Benefit portion that the City must pay from the General Fund has been calculated to be \$1,057,844. This amount has been budgeted as a transfer from the General Fund to the LMAD Fund, less a partially offsetting credit for a portion of the ad valorem property tax revenue collected in local landscaping zones L-4A and L-4B, the arterial landscaping zones, and the lighting and traffic signal zones. The net transfer from the General Fund is projected to be \$943,735 which has been included in the proposed General Fund budget for FY 2022/23. It should also be noted that a General Fund contribution for the City's arterial landscaping zones totaling \$409,295 has been included in the budget for FY 2022/23. This amount will be adjusted at the end of the fiscal year based on actual ad valorem property tax revenue received during Fiscal Year 2022/23.

Staff has completed an analysis of the current fiscal condition of the local landscaping zones based on the FY 2022/23 Engineer's Report. This analysis has confirmed that there are no local landscaping zones in which assessments and/or fund balance on hand are likely to be insufficient to cover the cost of providing maintenance services.

As noted previously, Local Landscaping Zone L-1A has budgeted expenditures exceeding

projected available revenues, but it has fund balance on hand sufficient to cover its deficit in the coming year. In addition, while Local Landscape Zone L-1B's budgeted expenditures do not exceed available resources, staff is discussing a future petition and Proposition 218 process with residents in this Zone who are interested in enhanced landscaping options as well as addressing fallow areas within the zone. It is anticipated a potential petition process be initiated by the residents in for these two zones in FY 2022/23.

ALTERNATIVES

The City Council may consider the following alternatives:

1. Do not approve the Engineer's Report as presented and direct staff to make changes to the Report. The assessments, if approved, will be submitted to the Orange County Auditor/Controller by August 10, 2022 to be included on the property tax roll for each parcel. If an Engineer's Report is not approved in time, this may not allow the collection of assessment proceeds for FY 2022/23 to contribute towards the higher cost in maintaining streetlights and landscaping.
2. Do not levy the assessment and forego the revenue for FY 2022/23.

ATTACHMENTS

1. Resolution No. 2022-5802 – Levying of Assessments and CIP summary
 2. FY 2022/23 Engineer's Report
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