



DATE: June 25, 2024

TO: Mayor and City Council

FROM: Director of Maintenance Services

SUBJECT: LLAD 96-1 Assessment Hearing: Adopt a Resolution to Approve the Final Engineer's Report, Reconfirm Maximum Base Assessment Amounts, Confirm the Assessment Diagrams and Fiscal Assessments, Order the Levy and Collection of Fiscal Assessments; and Adopt a Resolution to Approve Funding Recommendations and Appropriate Special Revenue Funds for Consolidated Landscaping and Lighting Assessment District (LLAD) No. 96-1, Zones 1 through 18, for Fiscal Year 2025

RECOMMENDATION

That the City Council adopts two resolutions (Attachment II and III):

1. Approving the Final Engineer's Report (Attachment IV),
2. Confirming the Maximum Base Assessment (MBA) amounts,
3. Confirming the Fiscal Assessments,
4. Confirming the Assessment Diagrams,
5. Ordering the Levy and Collection of Fiscal Assessments,
6. Approving the Funding Recommendations, and
7. Appropriating Revenue and Expenditure budgets for Consolidated Landscape and Lighting Assessment District (LLAD) No. 96-1, Zones 1 through 18 for Fiscal Year 2025.

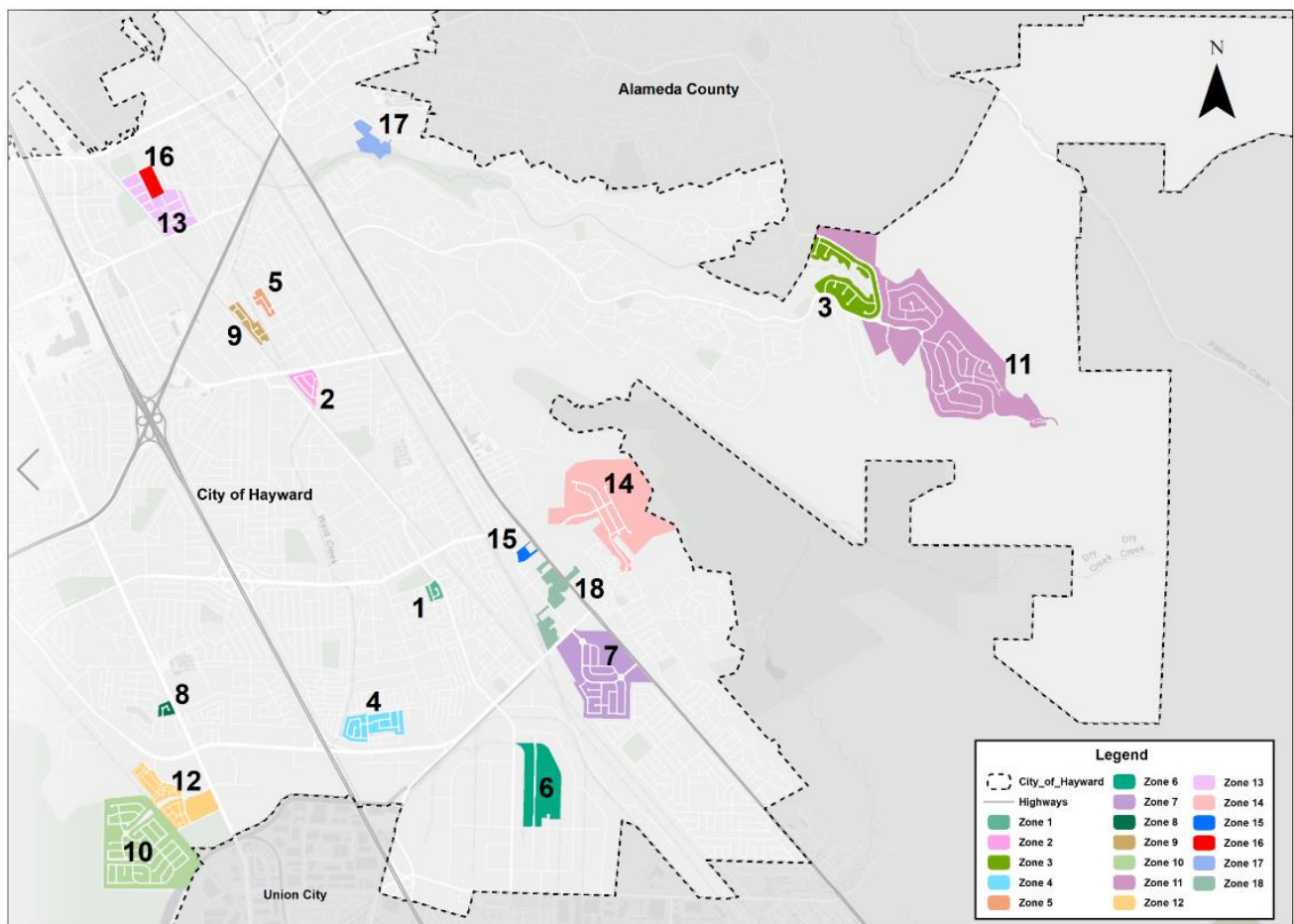
SUMMARY

The Landscaping and Lighting Act of 1972 requires an annual review and update of the engineer's report to set the annual assessment rate for each benefit zone. Assessment rate recommendations are made based on annual expenses, required cash flow, and future capital repair and replacement requirements. Recommended annual assessment rates cannot exceed the Maximum Base Assessment (MBA) established when each zone was originally formed. The annual engineer's report (Attachment IV) includes a detailed summary and budget for each of the eighteen benefit zones.

BACKGROUND

The Landscaping and Lighting Act of 1972 (Streets and Highways Code §22500) is a flexible tool used by local government agencies to form Landscaping and Lighting Assessment Districts (LLAD). These districts are formed to finance the cost of operating, maintaining, and servicing landscaping (including parks), and lighting improvements in public areas. In 1996, six separate LLAD benefit zones (1-6) were consolidated into one district by the adoption of Resolution No. 96-63. The new district was subsequently renamed, Consolidated Landscaping and Lighting Assessment District No. 96-1, and is known as the “District.” In subsequent years, zones 7-18 were individually created and annexed into the District.

This staff report and the attached engineer’s report provide assessment, benefit, and budget details for each of the established eighteen zones. The eighteen benefit zones are located throughout the City as shown on the following map.



The following table (Table 1) provides a summary of the LLAD benefit zones, including the year in which each zone was formed and the number of assessable parcels within each zone.

TABLE 1: DESCRIPTION OF BENEFIT ZONES				
A	B	C	D	E
Zone	Name/Location	Year Formed	Type of Development	Number of Assessed Parcels/SFE
1	Huntwood Ave. and Panjon St.	1990	Residential	30
2	Harder Rd. and Mocine Ave.	1991	Residential	85
3	Prominence	1992	Residential	155
4	Stratford Village	1995	Residential	174
5	Soto Rd. and Plum Tree St.	1995	Residential	38
6	Pepper Tree Park	1982	Industrial	11
7	Twin Bridges	1998	Residential	348
8	Capitola St.	1999	Residential	24
9	Orchard Ave.	2000	Residential	74
10	Eden Shores	2003	Residential	534
11	Stonebrae	2006, 2018, 2020	Residential	644
12	Eden Shores East (Spindrift)	2007, 2016	Residential	379
13	Cannery Place	2008	Residential	599
14	La Vista	2016	Residential	179
15	Cadence	2017	Residential	206
16	Blackstone	2016	Residential	157
17	Parkside Heights	2019	Residential	97
18	SoHay	2019	Residential	433
Total Assessed Parcels:				4,167

Self-Maintained.

DISCUSSION

Recommended changes to a zone's annual assessment rate are based on annual expenses, required cash flow, and capital replacement requirements. When determining the annual assessment rate, staff looks at two things:

- (1) **Maximum Base Assessment (MBA)** – The MBA is the maximum assessment rate that a parcel can be charged annually. This is established during the original formation of the zone. The annual MBA can only be increased if an inflation factor was included in the original formation document.
- (2) **Assessment Revenue** – The assessment revenue is the annual amount of revenue collected by charging each parcel an assessment rate. The assessment rate recommendation depends on review of the following three items:
 - a. **Annual Expenses** – Annual operating and maintenance expenses are estimated based on past years' experience and future years' estimates. Expenses include staff administration, noticing, and annual reporting.

- b. **Cash Flow** – This is the amount of “cash” needed to pay monthly invoices when revenue is not received monthly (assessment rates are received through property tax revenues collected by Alameda County, which are transmitted to the City three times a year (January, May, and June).
- c. **Capital Replacement** – This is the “savings account” where funds are collected and reserved each year to fund future capital replacement items. Future capital expenses are estimated based on an inventory of capital items, their useful life, and future replacement cost.

Table 2 on the following page summarizes assessment information by zone. The table provides assessment details for each zone by describing the number of parcels, if there is an annual inflation adjustment calculation included, lists the MBA rate, the FY 2025 assessment rate, and the change between last year’s adopted assessment and this year’s recommended assessment. For FY 2025, staff recommends no change to five Zones (5, 6, 14, 15 and 18) thirteen increases (1, 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, 16, and 17), based on annual expenses, required cash flow, and future capital repair and replacement.

TABLE 2: ASSESSMENT AMOUNTS BY BENEFIT ZONE									
A	B	C	D	E	F	G	H	I	J
Zone	Name/Location	# Parcels	CPI Adj	FY 2025 Max Base Assessment	FY 2025 Rate	FY 2024 Assessment	Change from last year		
1	Huntwood Ave. and Panjon St.	30	No	295.83	235.94	224.70	Incr	11.24	5%
2	Harder Rd. and Mocine Ave.	85	No	193.39	135.45	129.00	Incr	6.45	5%
3	Prominence	155	Yes	1,144.88	1,069.29	1,008.76	Incr	60.53	6%
4	Stratford Village	174	No	180.00	126.93	123.23	Incr	3.70	3%
5	Soto Rd. and Plum Tree St.	38	No	258.67	258.67	258.67	None	-	0%
6	Pepper Tree Park	11	No	2.61	2.61	2.61	None	-	0%
7	Twin Bridges	348	Yes	1,197.48	664.83	627.20	Incr	37.63	6%
8	Capitola St.	24	Yes	856.44	205.68	195.89	Incr	9.79	5%
9	Orchard Ave.	74	Yes	228.66	38.41	36.24	Incr	2.17	6%
10	Eden Shores	534	Yes	1,363.60	344.49	316.05	Incr	28.44	9%
11a	Stonebrae (Developed)	617	Yes	1,934.08	408.18	374.48	Incr	33.70	9%
11b	Stonebrae (Undeveloped)	27	Yes	580.22	216.34	198.47	Incr	17.87	9%
12a	Eden Shores - East	261	Yes	256.28	104.16	98.26	Incr	5.90	6%
12b	Eden Shores East (Spindrift)	118	Yes	246.98	104.16	98.26	Incr	5.90	6%
13	Cannery Place	599	Yes	1,454.34	417.78	394.13	Incr	23.65	6%
14	La Vista	179	Yes	747.04	683.65	683.65	None	-	0%
15	Cadence	206	Yes	724.44	N/A	N/A	N/A	N/A	N/A
16a	Blackstone (Zone A)	133	Yes	516.66	516.66	501.60	Incr	15.06	3%
16b	Blackstone (Zone B)	24	Yes	542.48	542.48	526.68	Incr	15.80	3%
17	Parkside Heights	97	Yes	608.86	582.88	555.12	Incr	27.76	5%
18a	SoHay Zone A (Developed)	192	Yes	464.38	300.00	300.00	None	-	0%
18b	SoHay Zone A (Undeveloped)	69	Yes	139.31	90.00	90.00	None	-	0%
18c	SoHay Zone B (Developed)	79	Yes	441.16	285.00	285.00	None	-	0%
18d	SoHay Zone B (Undeveloped)	93	Yes	132.35	85.50	85.50	None	-	0%

Proposition 218 Compliance

For FY 2025, all fiscal assessments are proposed to be levied in compliance with Proposition 218 and do not require the noticing and balloting of property owners to obtain their approval. Any future increases in fiscal assessment amounts that exceed the MBA would require the noticing and balloting of property owners.

FISCAL AND ECONOMIC IMPACT

There is no impact to the General Fund (100) as monies related to these LLADs are preserved in dedicated special revenue funds. LLAD assessment revenue is collected, and expenditures are paid directly from their dedicated special revenue funds. All zones have adequate cash balances for annual expenses, cash flow, and capital replacement, as shown in Table 3.

TABLE 3: ESTIMATED CASH BALANCE CHANGES PER BENEFIT ZONE						
Zone	Name/Location	Est FY 2024 Ending Cash Balance	FY 2025 Revenue	FY 2025 Expenditures	Change	Est FY 2025 Ending Cash Balance
1	Huntwood Ave. and Panjon St.	17,563	7,209	11,619	(4,410)	13,153
2	Harder Rd. and Mocine Ave.	27,247	11,632	16,818	(5,186)	22,061
3	Prominence	292,058	172,378	275,388	(103,010)	189,048
4	Stratford Village	76,384	24,117	35,542	(11,425)	64,959
5	Soto Rd. and Plum Tree St.	23,739	10,294	11,481	(1,187)	22,552
6	Pepper Tree Park	103,973	13,188	11,822	1,366	105,339
7	Twin Bridges	562,388	230,428	633,164	(402,736)	159,652
8	Capitola St.	49,869	5,252	10,188	(4,936)	44,933
9	Orchard Ave.	9,139	2,834	4,111	(1,277)	7,862
10	Eden Shores	556,854	183,630	684,315	(500,685)	56,170
11	Stonebrae	396,171	259,259	281,120	(21,861)	374,309
12	Eden Shores East (Spindrift)	38,004	38,956	27,374	11,582	49,586
13	Cannery Place	664,247	248,496	303,317	(54,821)	609,426
14	La Vista	268,988	122,373	140,605	(18,231)	250,756
15	Cadence	-	-	-	-	-
16	Blackstone	168,296	80,471	87,776	(7,305)	160,990
17	Parkside Heights	134,815	58,578	52,744	5,835	140,649
18	SoHay	274,478	125,156	133,747	(8,591)	265,887
Cash Balance:		3,664,212	1,594,251	2,721,132	(1,126,881)	2,537,331

Self-Maintained.

STRATEGIC ROADMAP

This agenda item is not directly related to the Council's Strategic Roadmap.

PUBLIC CONTACT

City staff: 1) mailed a postcard to all affected property owners to provide details of their recommended FY 2025 assessment rate and to alert them to two Council meetings where they could provide input (June 4 and June 25); 2) held a virtual meeting on May 29 via Zoom; and 3) will publish a printed legal notice in the East Bay Times on or before June 15, 2024.

NEXT STEPS

Following If the City Council adopts the two attached resolutions (Attachment II and III), the Final Engineer's Report (Attachment IV) will be approved, the revenue and expenditure budgets will be appropriated, and the final Assessor's tax roll will be prepared and filed with the County Auditor's Office allowing the assessments to be included in the FY 2025 tax roll. The draft assessment rolls are included (Attachment V) but are under review and will be updated in July to allow up-to-date information to be included for developing zones (11, 18). Once updated in July, a copy will be provided to the City Clerk and County Assessor.

Prepared by: Manny Grewal, Management Analyst

Recommended by: Todd Rullman, Director of Maintenance

Services

Approved by:



Dustin Claussen, Interim City Manager