



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 4, 2019

FROM: FINANCE DEPARTMENT WARD: 2

SUBJECT: RESOLUTION TO DECLARE INTENT TO LEVY AND COLLECT ASSESSMENTS FOR FY2019/20 LANDSCAPE MAINTENANCE DISTRICT 88-1 (SYCAMORE HIGHLANDS, FORMERLY HIGHLANDER); APPROVE PRELIMINARY ENGINEER'S REPORT; AND SET PUBLIC HEARING FOR FINAL APPROVAL OF LEVY OF SPECIAL ASSESSMENTS

ISSUES:

Adopt a resolution declaring the City of Riverside's intent to levy and collect assessments for Fiscal Year 2019/20 within Landscape Maintenance District 88-1 (Sycamore Highlands, formerly Highlander), approving the Preliminary Engineer's Report and setting a public hearing for final approval of the levy of special assessments within the District for July 2, 2019, at 3:00 p.m.

RECOMMENDATIONS:

That the City Council:

1. Adopt a Resolution declaring the City of Riverside's intent to levy and collect assessments for Fiscal Year 2019/20 within Landscape Maintenance District 88-1 (Sycamore Highlands, formerly Highlander) and approving the Preliminary Engineer's Report; and
2. Set a Public Hearing for final approval of the levy of special assessments within the District for July 2, 2019, at 3:00 p.m. at the City Council Chambers in the City of Riverside.

BACKGROUND:

On February 5, 2019 the City Council adopted Resolution 23417 ordering the preparation of the attached Preliminary Annual Engineer's Report for Landscape Maintenance District 88-1 (Sycamore Highlands). The report outlines the cost of maintaining the landscaping and administration of the District for Fiscal Year 2019/20 as well as the method of apportioning these costs to the property owners within the District. The City assesses all parcels within the District annually, regardless of development status.

The City of Riverside formed Landscape Maintenance District 88-1 (Sycamore Highlands) under the provisions of the 1972 Street Lighting and Landscaping Act, in conjunction with a Development Agreement for the Highlander (Sycamore Highlands) project. In July 1997, per Proposition 218, a

property owner election approved the continuation of the District. Community Facilities District 90-1 (Lusk-Highlander) financed the construction of the improvements within the District, which are at a level that exceeds normal City standards. The City formed Landscape Maintenance District 88-1 (Sycamore Highlands) to recover the cost of maintaining the improvements above normal City standards from the property owners that receive the specific benefit of the improvements.

DISCUSSION:

The procedures of the Lighting and Landscaping Act of 1972 require the adoption of a Resolution giving approval to the Preliminary Engineer's Report and the setting of a required Public Hearing. The Resolution sets the public hearing for 3:00 p.m. on July 2, 2019 at the City Council Chambers of the City of Riverside.

The District formation process set a maximum annual assessment with an adjustment based on the cumulative percentage increase, if any, in the Consumer Price Index for all Urban consumers (CPI-U) for the Los Angeles-Riverside-Orange County, California Standard Metropolitan Statistical area as published by the US Department of Labor Bureau of Labor Statistics ("the Bureau"). In December 2017, the Bureau discontinued the original index, and replaced it with two (2) new indexes (Riverside-San Bernardino-Ontario and Los Angeles-Long Beach-Anaheim). Staff recommends using the Riverside-San Bernardino-Ontario index, as it most closely mirrors local assessed valuation changes.

Using the prior index, the adjustment was calculated based upon a combination of the cumulative increases in the original index as it was in December of each year over the base index of December 1996 of 158.3. In order to use the new Index, which publishes every other month, and which began at a scale of 100, staff recommends: 1) changing the escalation month to January; and 2) adding the cumulative increase of the new Riverside-San Bernardino-Ontario Index from the base of 100 in Fiscal Year 2018/19 to January 2019 (3.05%) to the ending cumulative index of the original Index (63.75%). Using this methodology, the maximum allowed assessment for Fiscal Year 2019/20 is \$96.74 (\$58.00 base year multiplied by cumulative factor of 1.668 or 166.80%).

At the end of each fiscal year staff review actual expenditures against collected assessments and any unspent balance remains with the District to reduce assessments in subsequent years. There is currently no excess fund balance and therefore no reduction Fiscal Year 2019/20. Based on the Preliminary Engineer's Report, the annual assessment for the 2019/20 fiscal year will be \$95.93 per residential parcel.

FISCAL IMPACT:

The property owners are assessed the cost of maintaining the landscape improvements within the District at a level that exceeds City standards. The assessments are based on projected expenditures and cannot exceed the amount established in Fiscal Year 1997/98 upon District formation, adjusted for changes in the CPI (cumulatively, 166.80%). In Fiscal Year 2018/19, the estimated landscape budget for the District was \$99,729 and the assessment per residential parcel was \$94.98. The estimated landscape budget for Fiscal Year 2019/20 for the District is \$100,730; the assessment per residential parcel will be \$95.93.

Prepared by: Heidi Schrader, Debt Manager
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availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Carlie Myers, Deputy City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Resolution
2. Preliminary 2019/20 Landscape Maintenance District 88-1 Engineer's Report