



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JULY 6, 2021**

**FROM: FINANCE DEPARTMENT** **WARD: 2**

**SUBJECT: PUBLIC HEARING – RESOLUTION CONFIRMING DIAGRAM AND ASSESSMENT FOR LANDSCAPE MAINTENANCE DISTRICT NO. 88-1 (SYCAMORE HIGHLANDS) AND LEVYING ASSESSMENTS FOR FISCAL YEAR 2021-2022**

## **ISSUES:**

Conduct a Public Hearing for the purpose of receiving comments relative to the Fiscal Year 2021-2022 Landscape Maintenance District No. 88-1 assessments and adopt a resolution authorizing the City of Riverside to confirm the diagram and assessments for Landscape Maintenance District No. 88-1 (Sycamore Highlands) and levy assessments on all assessable lots and parcels of land therein for the Fiscal Year 2021-2022.

## **RECOMMENDATIONS:**

That the City Council:

1. Conduct a Public Hearing for the purpose of receiving comments relative to the Fiscal Year 2021-2022 Landscape Maintenance District No. 88-1 assessments; and
2. Adopt a resolution authorizing the City of Riverside to confirm the diagram and assessments for Landscape Maintenance District No. 88-1 (Sycamore Highlands) and levy assessments on all assessable lots and parcels of land therein for the Fiscal Year 2021-2022.

## **BACKGROUND:**

The City of Riverside formed Landscape Maintenance District No. 88-1 (Sycamore Highlands) under the provisions of the Landscaping and Lighting Act of 1972, 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. The City formed Landscape Maintenance District 88-1 (Sycamore Highlands) to recover the annual cost of maintaining the improvements above normal City standards from the property owners that receive the special benefit of the improvements.

On February 2, 2021, the City Council adopted Resolution 23672 ordering the preparation of the

attached Annual Engineer's Report for Landscape Maintenance District No. 88-1 (Sycamore Highlands). The report outlines the cost of maintaining the landscaping and administration of the District for Fiscal Year 2021-2022, 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.

On June 1, 2021, the City Council adopted Resolution 23714 approving the Preliminary Annual Engineer's Report for Landscape Maintenance District No. 88-1 (Sycamore Highlands) and setting a public hearing for July 6, 2021 to approve the Final Annual Engineer's Report for Landscape Maintenance District No. 88-1 and authorizing the levy of special assessments within the District.

### **DISCUSSION:**

The procedures of the Landscaping and Lighting Act of 1972 require the City Council to hold a Public Hearing prior to the adoption of a resolution confirming the Annual Engineer's Report and establishing the Fiscal Year 2021-2022 annual assessments for Landscape Maintenance District No. 88-1 (Sycamore Highlands.) 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"). The Bureau has discontinued the original index and replaced it with two (2) new indexes (Riverside-San Bernardino-Ontario and Los Angeles-Long Beach-Anaheim). Starting in Fiscal Year 2019-2020, the City began 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 in December 1996 of 158.3. The original index ended with a cumulative increase of 63.75% over the base year. To use the new Index, which publishes every other month, the escalation period was changed to January and began at a scale of 100 for Fiscal Year 2018-2019. Adding the cumulative increase of the new Riverside-San Bernardino-Ontario Index of 8.56% to the ending cumulative increase of the original Index of 63.75% results in a cumulative total for both Indexes of 72.31%. Using this methodology, the maximum allowed assessment for Fiscal Year 2021-2022 is \$99.93 (\$58.00 base year multiplied by a cumulative factor of 172.31%).

At the end of each fiscal year, staff review actual expenditures against collected assessments and any unspent balance remains with the District to cover expenditures in the following year. The estimated landscape budget for Fiscal Year 2021-2022 for the District is \$119,441.00. There is an existing agreement between the City and Castlerock Apartment Homes (formerly Riverside Sycamore Apartments) which allows for the property owner to maintain a section of landscaping and therefore receives a proportional credit to the property. Based on the Engineer's Report, the annual assessment for the 2021-2022 fiscal year will be \$99.93 per residential parcel or equivalent dwelling unit (EDU), which is the maximum allowed assessment. The annual revenue provided by the levy will be \$104,934.13. The estimated cost to maintain the District is projected at \$119,441.00, leaving a shortfall of \$14,506.87 which will be covered by the General Fund.

### **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 172.31%). In Fiscal Year 2020-2021, the estimated landscape budget for the District was \$115,667.00 and the annual levy was \$102,667.00. In Fiscal Year 2020-2021, the shortfall was covered by existing funds within the District and did not require a General Fund subsidy. The estimated landscape budget for Fiscal Year 2021-2022 for the District is \$119,441.00, while the annual levy will be \$104,934.13. Although the City proposes to levy the maximum allowable assessment, there will be a shortfall that will require a City contribution in the amount of \$14,506.87 which is incorporated within the General Fund budget.

Prepared by: Heidi Schrader, Debt Manager  
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availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer  
Approved by: Moises Lopez, Deputy City Manager  
Approved as to form: Kristi J. Smith, Interim City Attorney

Attachments:

1. Resolution
2. FY 2021-22 Sycamore Highlands Landscape Maintenance District Engineer's Report
3. Resolution 23714 declaring intent to levy and collect assessment for FY 2021-2022
4. Presentation