



City of Arts & Innovation

City Council Memorandum

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

FROM: FINANCE DEPARTMENT **WARD: 7**

SUBJECT: PUBLIC HEARING – RESOLUTION CONFIRMING DIAGRAM AND ASSESSMENT FOR RIVERWALK LANDSCAPE MAINTENANCE DISTRICT DIAGRAM 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 Riverwalk Landscape Maintenance District assessments and adopt a resolution confirming the diagram and assessment for the Riverwalk Landscape Maintenance District and levying 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 Riverwalk Landscape Maintenance District assessments; and
2. Adopt a resolution authorizing the City of Riverside to confirm the diagram and assessments for the Riverwalk Landscape Maintenance District and levying assessments on all assessable lots and parcels of land therein for the Fiscal Year 2021-2022.

BACKGROUND:

The City of Riverside formed the Riverwalk Landscape Maintenance District under the provisions of the Landscaping and Lighting Act of 1972. In July 2002, per Proposition 218, a property owner election approved the formation of the District. The developer of the Riverwalk neighborhood financed the construction of the improvements within the District, which are at a level that exceeds normal City standards. The City then formed the Riverwalk Landscape Maintenance District to recover the cost of maintaining the improvements above normal City standards from the property owners that receive the specific benefit of the improvements.

On February 2, 2021, the City Council adopted Resolution 23673 ordering the preparation of the attached Annual Engineer's Report for the Riverwalk Landscape Maintenance District. 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 23713 approving the Preliminary Annual Engineer's Report for the Riverwalk Landscape Maintenance District and setting a public hearing for July 6, 2021 to approve the Final Annual Engineer's Report for the Riverwalk Landscape Maintenance District 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 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 the Riverwalk Landscape Maintenance District. The July 2002 District formation process set an annual assessment increase by the change in the Consumer Price Index (CPI) as measured on each July 1. Prior to Fiscal Year 2018-2019, the annual escalation was determined by multiplying the prior year rates, both Minimum and Maximum, by the percentage increase, if any, in the CPI for Los Angeles-Riverside-Orange County (1982-84=100). In December 2017, the Bureau of Labor Statistics revised its categorization of Los Angeles-Riverside-Orange County to Riverside-San Bernardino-Ontario. Thus, the annual escalation will be determined by the percentage increase, if any, in the Riverside-San Bernardino-Ontario Index (December 2017=100) from the preceding year.

Based on the CPI increase of 3.5638% as detailed in the Engineer's Report, the maximum allowed assessment range in Fiscal Year 2021-2022 per EDU is \$234.91 - \$360.17 for Zone A (residential) and \$1,174.49 - \$1,565.97 per acre for Zone B (business park). In prior years, the City has levied less than the maximum allowed and has used surplus funds within the District towards annual expenses. However, the District requires a number of repairs and rehabilitations as well as one-time equipment costs, which will deplete all surplus funds.

The estimated landscape budget for Fiscal Year 2021-2022 for the District is \$556,843. The total annual levy for the fiscal year will be \$419,414.65. To avoid a sharp increase in the levy to property owners for the upcoming fiscal year, the City will cover \$137,428.35 of those expenses from the General Fund, while increasing the levy amount by 5%. The 5% proposed increase is still within the maximum allowable assessment to date. Based on the projected expenses for Fiscal Year 2021-2022, the annual assessment for the 2021-2022 fiscal year will be \$286.94 per residential parcel.

FISCAL IMPACT:

The property owners within the District 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 do not exceed the amount established in 2002/03 during District formation, except as adjusted for changes in the CPI as described above. The estimated landscape budget for Fiscal Year 2021-2022 for the District is \$556,843 and will require a City contribution in the amount of \$137,428.35 which is incorporated within the General Fund budget. The assessment per residential parcel will be \$286.94. The assessment for each commercial parcel will be \$1,444.99 per acre based on proximity to the landscaping benefit.

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Approved by: Moises Lopez, Deputy City Manager
Approved as to form: Kristi J. Smith, Interim City Attorney

Attachments:

1. Resolution
2. FY 2021-22 Riverwalk Landscape Maintenance District Engineer's Report
3. Resolution 23713 declaring intention to levy and collect assessments for FY2021-2022
4. Presentation