



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: MAY 13, 2025

DEPARTMENT: PUBLIC WORKS DEPARTMENT

FROM: DAVID JACOBS, PUBLIC WORKS DIRECTOR

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TITLE: SETTING PUBLIC HEARING DATES FOR THE LANDSCAPE AND MAINTENANCE ASSESSMENT DISTRICTS' ANNUAL LEVY

RECOMMENDED MOTION:

A motion to approve Resolutions initiating the proceedings for the annual levy of assessments, declaring its intention to levy and collect an assessment and set a public hearing date for July 1, 2025, and preliminarily approving the Engineer's Reports for the landscape maintenance districts.

EXECUTIVE SUMMARY:

There are six (6) landscape maintenance assessment districts (LMADs) within the City of Salinas created under the Landscaping and Lighting Act of 1972 (the Act) and adopted locally. The Act allows property owners to assess themselves within a specific area, or "district" to generate funds for various improvements within the district. Assessments are renewed annually, but prior to levying, an Engineer's Report must be ordered, prepared, and presented at a public hearing. Based on the currently established maintenance district formulas, the FY 25-26 rates are expected to be increased in the North/East Area and Mira Monte Districts.

BACKGROUND:

There are six (6) LMADs within the City of Salinas that were created under the Landscaping and Lighting Act of 1972, and adopted locally in Article II, Chapter 21C of the Salinas City Code. Formation of the District allowed the property owners to assess themselves within a specified area, or "District" to generate funds for installing, maintaining, and servicing public lighting, landscaping, and certain specific improvements in their neighborhood. Annual review and renewal of the assessments is required prior to submitting to the County of Monterey for assessment. Prior to renewal, an Engineer's Report must be ordered, prepared, and presented at a public hearing.

Any District that was created prior to the passage of Proposition 218 in 1996 is a "grandfathered" assessment district. As such it is not subject to the legal requirements of Proposition 218 so long as the assessments remain at rates that are equal to or less than the maximum assessment rates that were in place in 1996.

Staff is not recommending any changes to the formula on how assessments are levied in any of the maintenance districts, therefore, the mailing of ballots is not required. Pursuant to current assessment procedure, direct notices are also not required; however, notices of the public hearings are, and will be published in local newspaper of general circulation and via direct mailings to property owners, following Council's approval of the proposed scheduled public hearings. In an effort to increase public outreach, each District's budget and Engineer's Report will be published on the City's website on an annual basis.

Airport Business Center Maintenance District

Upon formation in 1987, the following services were approved to be funded by the Airport Business Center District within its boundaries:

Maintenance, repair, replacement and operations for walkways, crosswalks, masonry walls or fences, parkways, embankments, sprinkler systems, and landscaping that lie within the right of way of Moffett St, La Guardia St and Vandenburg St.

A total of 39 parcels are currently assessed at \$217.49 per acre, a rate that was originally set to cover maintenance costs at the time of formation. However, the assessment rate has not been adjusted for inflation, leading to a reduction in service levels as maintenance costs have risen.

Since the Airport Business Center District is "grandfathered", it is not subject to Proposition 218 requirements as long as the assessments remain at or below the 1996 rates. However, any increase in the assessment rate or changes to the formula, such as including City-owned parcels or altering the acreage-based method would require full compliance with Proposition 218. This has prevented adjustments that would help keep pace with rising expenses, further contributing to service reductions.

In 2019, staff met with property owners to discuss fiscal sustainability. There was support for including City-owned parcels along Moffett Street in the assessment district and revising the current formula, which is based solely on acreage and exempts government-owned parcels.

North/East Area District

Upon formation, the following services were approved to be funded by the North/East Area District within its boundaries:

Maintenance, operation of ...any and all public landscaping and irrigation improvements on landscaped medians islands, including the 30-foot-wide park strips of land between the curb and right-of-way, cul-de-sac median landscaping, jogging paths, planter walls public lighting.

In 1999, the District underwent a Proposition 218 process, and property owners approved an assessment rate change to include an annual inflation factor tied to the average Engineer's News Record (ENR) cost index increase for the prior year.

This year, the ENR index for construction increased 1.85% from April 2024 to March 2025. Staff recommends the assessments be increased accordingly.

Mira Monte Maintenance District

Upon formation, the following services were approved to be funded by the Mira Monte Maintenance District within its boundaries:

Maintenance, repair, reconstruction, and operation of the landscaping, irrigation systems, and public improvements within said district. Public improvements include curbs, gutters, asphalt street improvements, sidewalks, masonry walls, concrete-paver driveway clusters, parkway strips adjacent to curbs, landscape easements, tot lots, landscaped open space parcels, appurtenant water mains, irrigation systems, public lighting fixtures on all streets and driveway clusters.

A total of 203 parcels are assessed \$610.08 per year. The District's assessment formula includes an inflationary factor tied to the ENR cost index. Staff recommends an increase for the Mira Monte District to cover the cost of ongoing maintenance.

Harden Ranch Maintenance District

Upon formation in 1991, the following services were approved to be funded by the Harden Ranch Maintenance District within its boundaries:

Maintenance and operation of and the furnishing of services and materials for street lighting facilities, masonry walls, detention basins, open space areas, landscaping, irrigation systems, bike paths, pedestrian pathways, slope maintenance, graffiti abatement, entry monuments, landscaping which includes trees, shrubs, grass, and other ornamental vegetation, and appurtenant facilities, including irrigation systems and drainage devices

Annual assessments in the Harden Ranch Maintenance District as follows:

Single Family Residence Parcels	\$66.72 per unit
Non-Single-Family Residence	\$353 per acre

The Harden Ranch Maintenance District's assessment was initially set at a rate based on 1991 prices and did not account for inflation. In 1999, the City conducted a property owner assessment ballot in accordance with Proposition 218 to introduce an annual escalator based on the Consumer Price Index (CPI). However, the proposal was met with a majority protest, and the inflation adjustment was not approved.

As a result, maintenance services have gradually declined, with the District now able to provide only about 13% of the maintenance it could in 1999. Despite rising costs for labor, materials, and services, the assessment revenue has remained unchanged. To address this, further reductions in services are likely unless a new Proposition 218 ballot measure is approved, allowing for annual rate increases to keep pace with inflation and fully fund maintenance needs.

Vista Nueva Maintenance District

Upon formation, the following services were approved to be funded by the Vista Nueva Maintenance District within its boundaries:

Installing and maintaining the telephone/alarm system for the Sanitary Sewer Pump Station; monitoring and maintaining a sanitary sewer pump station twice a week, and a sanitary sewer main four times a year with City forces, or as needed; maintaining street

pavement; providing maintenance and power for a new street light system; and maintaining subdivision fence.

When the Vista Nueva District was created, a flat \$12 annual increase was built into the assessment formula, with a maximum cap of \$600 per year. By 2011, the assessment had reached this cap, rising from \$592 to \$600. As a result, there will be no further increase in the assessment this year, as the maximum allowable rate has already been met.

Monte Bella Maintenance District

The Monte Bella Maintenance District funds five types of improvements:

Street landscaping, street lighting, parks, open space, and detention basin landscaping; street maintenance; and public improvements.

Each improvement is budgeted and assessed by District benefit zone. The assessment formula includes an inflationary factor that increases assessments annually by the greater of 3% or the CPI increase (2.4% from April 2024 to April 2025). A decrease (10%) was approved 14 years ago because of the slow build-out. Since then, construction was completed, and Phase 6 was accepted in 2022, adding new maintenance and operational costs. It is proposed that the assessment rates remain unchanged from last year, as there are sufficient reserves available to cover capital improvements and address ongoing maintenance.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

Approving these proposed Resolutions will support the Council's Strategic Goal of Infrastructure and Environmental Sustainability.

DEPARTMENTAL COORDINATION:

The Public Works Department's Admin Division and Maintenance Divisions contribute staff time and resources to the day-to-day maintenance and administration of the Districts. Every year in August, Finance and Public Works Departments work cooperatively to prepare and submit the levy to the County for bi-annual collections.

FISCAL AND SUSTAINABILITY IMPACT:

There is no fiscal impact by adopting the proposed resolutions. Staff continues to diligently seek out cost saving measures in order to sustain low maintenance costs.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 24-25 Operating Budget Page	Last Budget Action (Date, Resolution)
n/a	n/a	n/a	n/a	n/a	n/a	n/a

ATTACHMENTS:

Resolutions

Preliminary Engineer's Reports