



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: JUNE 20, 2023

DEPARTMENT: PUBLIC WORKS DEPARTMENT

FROM: DAVID JACOBS, PUBLIC WORKS DIRECTOR

THRU: ADRIANA ROBLES, CITY ENGINEER
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TITLE: SET PUBLIC HEARING DATE FOR LEVYING ANNUAL
ASSESSMENTS FOR THE LANDSCAPE AND MAINTENANCE
ASSESSMENT DISTRICTS

RECOMMENDED MOTION:

A motion to approve Resolutions by the Salinas City Council initiating the proceedings for the annual levy of assessments; declaring its intention to levy and collect an assessment; and preliminarily approving the Engineer's Reports for the for the landscape maintenance districts.

RECOMMENDATION:

It is recommended that the City Council approve Resolutions:

1. initiating the preparation of Engineer's Reports for each District; and
2. declaring its intention to levy and collect an assessment and set a public hearing date for August 8, 2023; and
3. preliminarily approving the Engineer's Reports for each District.

EXECUTIVE SUMMARY:

There are six landscape maintenance assessment districts (LMAD) within the City of Salinas that were created under the Landscaping and Lighting Act of 1972 (the Act) and adopted locally in Article II, Chapter 21C of the Salinas City Code. The Act allows property owners to assess themselves within a specific area, or "district" in order 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 maintenance district formulas, the rates expected to be assessed in FY 23-24 are expected to remain the same in all but one district.

BACKGROUND:

There are six landscape maintenance assessment districts (LMAD) within the City of Salinas. that were created under the Landscaping and Lighting Act of 1972, which allows the property owners

to assess themselves within a specified area, or “district” to generate funds for installing, maintaining and servicing public lighting, landscaping, and improvements in their neighborhood. The assessments are renewed annually. 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.

Airport Business Center Maintenance District

Upon formation, 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.

Assessment rates were originally set so that revenues were sufficient to fund the maintenance services required at the then prices. Since the Airport District is “grandfathered” any rate increase would be subject to the legal requirements of Proposition 218. The inability to raise the assessment rate to keep pace with increased expenses has led to a reduction in level of services.

In 2019 Staff met with property owners to discuss a path towards fiscal responsibility. Those in attendance expressed desire to include the city-owned parcels along Moffett Street and change to a different method of spreading assessments. The current formula is based entirely upon acreage and exempts government owned parcels.

An on-call consultant is on board and will be working towards developing a revised assessment methodology that will consider the frontage of parcels deriving benefits instead of acreage. Once a revised preliminary methodology is available, Staff will meet again with property owners to survey the level of support before moving forward with a Prop 218 balloting process.

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 and the furnishing of services and materials for the North/East Area District improvements including 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

It was later determined that the assessment rate would not be adequate for future years to maintain desired levels of maintenance service due to the increasing age of improvements. Therefore, in 1999 the City conducted a property owner assessment ballot in accordance with Prop 218 to increase rates and add an annual escalator. A majority of property owners were not opposed to the change and approved the addition of an inflation factor, which is tied to the average Engineer's News Record (ENR) cost index increase for the prior year.

Last year at the August 9, 2022 public hearing, the City Council approved assessment levy rates at 3%, less than the maximum assessment rate calculation of 8.86%.

This year. The ENR index for construction increased 2.56% from April 2022 to April 2023. 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

The Mira Monte District's assessment formula includes an inflationary factor tied to the ENR cost index. Staff does not recommend an increase for the Mira Monte District since enough reserves are available to cover the cost of ongoing maintenance and initiate a capital improvements plan for future years.

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

This District is "grandfathered". Its assessment formula was set at a rate to cover maintenance costs at the 1991 prices and did not include an inflationary factor. In 1999 the City conducted property owner assessment ballot in accordance with Prop 218 to add an annual escalator based on the Consumer Price Index ("CPI") but a majority protest was received.

Since then, the levels of maintenance services have been adjusted to meet ongoing demand and to start building reserves for capital improvements. In order to increase the revenue, it would be

necessary to restructure the district and hold a mailed ballot protest of the property owners. This effort will be pursued as resources become available.

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.

At the time the Vista Nueva District was created, a flat \$12 increase per year (not to exceed a maximum total assessment of \$600 per year) was incorporated in the assessment formula. The maximum assessment of \$600 per year was reached ten years ago when the rate increased from \$592 to \$600 per year. Therefore, the assessment rate will not increase this year as the annual assessment has reached its cap.

Monte Bella Maintenance District

The Monte Bella Maintenance District provides funding for five distinct types of improvements within the District's boundaries which are street landscaping; street lighting; parks, open space and detention basin landscaping; street maintenance; and public improvements. Each type of improvement is budgeted and assessed as a District benefit zone. This District's assessment formula calls for an inflationary factor to increase the assessments annually by the greater of three percent (3%) or the percentage increase in the CPI (4.2 % from April 2022 to April 2023).

A decrease (10%) was approved 12 years ago because of the slow build-out. Since then, home construction has restarted and Phase 6 was just accepted in 2022. Assessments are recommended to remain the same as last year due to the available reserves for long-term capital improvements

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). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

This item relates to the Council’s Strategic Goal of Infrastructure and Environmental Sustainability. The Strategic Plan can be viewed here [[link](#)].

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:

Adopting the proposed resolutions has no fiscal impact to the General Fund as each district is entirely self-supporting with no subsidies from the General Fund. Staff continues to diligently seek out cost saving measures in order to sustain low maintenance costs. Based on Districts’ formulas, the rates expected to be assessed in FY 23-24 are as follows:

District	Actual FY 22/23 Rates		Proposed 23/24 Rates		Increase/ (Decrease)
Airport Business Center	\$217.49	per acre	\$217.49	per acre	-0-
North/East	\$219.28 \$131.56 \$87.71	/Low Density unit / Medium Density unit / High Density unit	\$ 224.89 \$134.93 \$89.96	/Low Density unit / Medium Density unit / High Density unit	2.56%
Harden Ranch	\$66.72 \$353.66	per unit per acre	\$66.72 \$353.66	per unit per acre	-0-
Vista Nueva	\$600.00	per parcel	\$600.00	per parcel	-0-
Mira Monte	\$594.74	per parcel	\$594.74	per parcel	-0-
Monte Bella	\$802.20	per parcel	\$802.20	per parcel	-0-

ATTACHMENTS:

- Resolutions
- Preliminary Engineer’s Reports