



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: AUGUST 8, 2023

DEPARTMENT: PUBLIC WORKS DEPARTMENT

FROM: DAVID JACOBS, PW DIRECTOR

THRU: ADRIANA ROBLES, CITY ENGINEER
HILDA GARCIA, PW ADMIN SUPERVISOR

TITLE: ANNUAL LEVY OF ASSESMENTS FOR LANDSCAPE & MAINTENANCE DISTRICTS

RECOMMENDED MOTION:

A motion to approve twelve (12) resolutions approving Engineer's Reports and ordering the levy of collection of annual assessments within the landscape maintenance assessment districts.

RECOMMENDATION:

It is recommended that City Council approve resolutions

1. approving the Engineer's Report and
2. ordering the annual levy and collection of assessments within the Airport Business Center Landscape Maintenance District, and the North/East Area, Harden Ranch, Vista Nueva, Mira Monte and Monte Bella Maintenance Districts.

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), adopted locally in the Salinas Municipal 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. Council adopted the necessary resolutions in June and set public hearings in order to approve the engineer's reports and the levying of assessments in order to meet the assessment roll due date to the Monterey County Assessor's Office.

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 (the Act), and adopted locally in Article II, Chapter 21C of the Salinas Municipal Code. The Act allows property owners to assess themselves within a specified area, or "district" in order to generate funds for installing, maintaining, and servicing public lighting, landscaping, and improvements in their neighborhood.

The City renews these assessments annually. On June 20, 2023, City Council approved resolutions to initiate the process. Public notices of the public hearings are required and were published in The Monterey Herald following the Council’s June 21st approval. Also, direct postcard mailers were sent to affected property owners in early July.

As stated in the June 20, 2023 report to City Council, the North/East District assessment will increase 2.56%, the annual inflation factor based on the Engineer’s News-Record (ENR) average construction cost index of twenty (20) cities, which is published each April in ENR’s construction economic issue. All other districts’ assessments will remain the same.

Below is a summary of the assessment rates for Fiscal Year 23/24. Rates do not include the \$10.00 per parcel collection fee.

District	Actual FY 22/23 Annual Rates		Proposed 23/24 Annual 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-

Local agency assessment rolls must be sent to the Assessor’s Office by August of each tax year in order for the parcel levies to be billed and collected.

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 Plan Goal of Infrastructure and Environmental Sustainability by improving City facilities, including lighting and landscaping.

DEPARTMENTAL COORDINATION:

Public Works Department’s Engineering Division oversees the preparation of budget documents and publication of the Engineer’s Reports. Maintenance Division oversees the Districts’ day-to-day maintenance activities. The Finance Department works closely with Public Works in obtaining and then transmitting the up-to-date levy information to the County for processing.

FISCAL AND SUSTAINABILITY IMPACT:

Based on proposed maintenance district formulas, the total levy to be received (including the City \$10.00 per parcel collection fee) in FY 2023-24 are noted in the table below.

The City has a long-standing financial policy to maintain an operating reserve equal to 50% of maintenance costs, however this policy is “advisory only” and meeting this level of reserves may require increases, in some cases, beyond the inflationary factor allowed by the formula previously approved. The annual amounts required by the 50% policy and the projected amounts are shown below.

District	Total Levy	2023-2024 Operating Budget	Desired Reserves (50% of Operation Budget)	Actual Operating Reserve Fund Balance
Airport Business Center	\$14,468	\$16,802	\$8,401	\$526
North/East District	\$953,674	\$698,588	\$349,294	\$353,737
Harden Ranch District	\$155,174	\$129,081	\$64,541	\$83,983
Vista Nueva District	\$29,890	\$24,061	\$12,031	\$333,006
Mira Monte District	\$122,762	\$151,614	\$75,807	\$241,725
Monte Bella District	\$719,828	\$230,247	\$115,124	\$115,123

Airport Business Center District

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.

Harden Ranch Maintenance District

At the time of District formation, the assessment fee of \$76.72 per year (including collection fees) was enough to cover maintenance costs. In 1999 a provision to adjust the assessment rate annually was not approved. Now, due to rising inflation, the level of maintenance services that the District can provide from assessment revenue funding only, is estimated to be approximately 19% of the level that could be provided in 1999.

Maintenance levels will continue to decrease as costs increase. City has initiated discussions with District property owners regarding an assessment increase to increase services to desired levels. It will require a property owner ballot voting process to gain approval for the assessment increase including a built-in annual inflation adjustment so that assessment rates can maintain pace with the cost of inflation. The City expects to continue discussions with property owners as resources permit.

Vista Nueva & Mira Monte Maintenance Districts

In the 23-24 fiscal year, a long-term capital improvement plan will be developed for the Vista Nueva and Mira Monte Maintenance Districts. This tool will assist in identifying, scheduling, and tracking the districts' capital projects and provide public and Council with the needed information to determine the priorities and assign appropriate resources to those priorities.

ATTACHMENTS:

Resolutions
Engineer's Reports