



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: JUNE 30, 2026

DEPARTMENT: PUBLIC WORKS DEPARTMENT

FROM: DAVID JACOBS, PE, PLS, PUBLIC WORKS DIRECTOR

THRU: ADRIANA ROBLES, PE, CFM, CITY ENGINEER

BY: CRISTINA GONZALEZ, PW ADMIN SUPERVISOR

TITLE: ANNUAL LEVY OF ASSESSMENTS FOR LANDSCAPE AND MAINTENANCE DISTRICTS

RECOMMENDED MOTION:

A motion to approve resolutions related to the annual levy and maintenance funding for the City's Landscape Maintenance Assessment Districts (LMAD):

1. Approve the Engineer's Reports for the City's six LMAD's for Fiscal Year 2026–2027;
2. Confirm the assessment diagrams and levy amounts as detailed in the Engineer's Reports;
3. Authorize the levy and collection of annual assessments in compliance with California Streets and Highways Code Sections 22620–22641; and
4. Approve General Fund transfers to cover the cost of parks and open space maintenance associated with the special benefits received by parcels outside the LMAD boundaries.

EXECUTIVE SUMMARY:

This item requests City Council approval to levy annual assessments for the City's six Landscape and Lighting Assessment Districts for Fiscal Year 2026–2027. The assessments fund a variety of ongoing maintenance items within the districts. Approval of the Engineer's Reports, including the assessment diagrams and levy amounts, is required to comply with state law. Council action also includes approving General Fund transfers to cover maintenance costs for areas outside district boundaries that receive special benefits.

BACKGROUND:

The City of Salinas has six Landscape Maintenance Assessment Districts (LMADs), formed pursuant to the California Streets and Highways Code Section 22500 et seq., known as the Landscaping and Lighting Act of 1972, and locally adopted under Article II, Chapter 21C of the Salinas Municipal Code. These districts fund the maintenance and operation of infrastructure such as landscaping, public lighting, and neighborhood improvements through assessments levied on

properties within each LMAD. Assessments are based on the special benefits received by each parcel.

In accordance with state law, an Engineer’s Report must be prepared annually for each LMAD in which assessments are proposed. Each report includes:

- An overview of the LMAD;
- Plans and specifications for the improvements;
- An estimate of the annual costs;
- A description of the method of apportioning the assessments; and
- A diagram identifying the LMAD boundaries and associated improvements.

Draft Engineer’s Reports can be found in each LMAD’s webpage:

<https://www.cityofsalinas.org/Your-Government/Departments/Public-Works/PW-Maintenance-Services/Landscape-Maintenance-Assessment-Districts>

Table 1 below summarizes the work funded by each LMAD within its respective boundaries.

Table 1. Summary of Work funded by each LMAD within its boundaries.

LMAD	Landscape & Water	Walkways, Crosswalks & Signs*	Stormwater Detention Basins	Sewer Pump Station & Subdivision Fence	Street Pavement Maintenance*	Street Lighting (Including PG&E Costs)
Airport	X					
**North/East	X		X			
Harden Ranch	X	X	X			
***Mira Monte	X	X			X	X
****Monte Bella	X	X	X		X	X
Vista Nueva				X	X	X

* Not all street segments included, only segments identified in District’s most recent Engineer’s Report

**Includes Natividad Creek bridge maintenance at Lexington Drive

*** Includes driveway paver maintenance at courtyards

****Includes a portion of neighborhood park landscaping maintenance. PG&E costs are excluded from streetlights costs.

This item was publicly noticed in accordance with the Ralph M. Brown Act, and the Engineer’s Reports were made available for review at least 72 hours prior to the public hearing. Legal notice announcing the public hearing was published in the Monterey Herald following the City Council’s June 2, 2026, approval of the resolution to initiate the annual assessment process.

To expand outreach, the City created a dedicated webpage for each LMAD. Residents were notified of these webpages, which include a summary of funded improvements, updated quarterly budgets, current landscaping contracts, and the most recently approved Engineer’s Reports.

PROPOSED ASSESSMENTS

The assessment rates for the Airport Business Center, Harden Ranch, and Vista Nueva LMADs have remained unchanged since their formation in 1987, 1991, and 2011, respectively. These

districts were established without an annual inflator, meaning the assessment amounts cannot increase automatically over time.

As a result, any proposed increase to these assessment rates must comply with the requirements of Proposition 218, a state constitutional amendment that restricts how local governments can impose or increase certain fees and charges. Specifically, Proposition 218 mandates that a notice and ballot be mailed to each affected property owner, followed by a public hearing. A majority vote in favor is required before any rate increase can be implemented.

Airport Business Center Landscape Assessment District No. 87-1

Assessments in the Airport Business Center Landscape Assessment District will remain unchanged for Fiscal Year 2026-27. The assessment rate is proposed at \$217.49 per acre, with assessments calculated based on parcel acreage.

Harden Ranch Maintenance Assessment District No. 2

Assessments for the Harden Ranch Maintenance Assessment District will remain unchanged for Fiscal Year 2026–27. The proposed rates are \$66.72 annually per single-family residential parcel and \$353.66 per acre for non-single-family residential parcels.

Vista Nueva Maintenance Assessment District No. 97-2

The Vista Nueva Maintenance Assessment District reached its maximum authorized assessment in 2011. Accordingly, assessments will remain unchanged at \$600 annually per parcel for Fiscal Year 2026–27.

Mira Monte Maintenance District Landscape & Lighting District No 2 and Assessment District 2000-1

The Mira Monte District assessment is proposed to increase by 0.62% from \$615.39 to \$619.21 per parcel annually for Fiscal Year 2026–27. This adjustment reflects increasing maintenance costs and helps fund the future replacement of district improvements.

Monte Bella Maintenance District

Assessments for the Monte Bella Maintenance District are recommended to remain at unchanged at \$645.50 per Equivalent Benefit Unit (EBU) for Fiscal Year 2026–27, representing approximately 45% of the maximum allowable rate of \$1,433.10 per EBU. These assessments fund maintenance of street landscaping, lighting, parks, open space, detention basins, and street maintenance within designated Benefit Zones.

North/East Area Maintenance District Landscape and Lighting District No. 1 and Landscaping Assessment District 88-3

The North/East Area Maintenance District assessment formula is based on Benefit Units (BU) and includes an inflation factor. For Fiscal Year 2026–27, the maximum allowable assessment rate is set at \$254.37 per BU, representing a 1.03% increase from the prior year’s rate. Individual parcel assessments are calculated based on the applicable benefit zones, including proximity to

parks and open space landscaping improvements, and the proportional special benefit received by each parcel.

Table 2 summarizes anticipated assessment rates.

Table 2. Breakdown of LMAD Assessments

District	Unit	FY 25-26	FY 26-27		% Change from Previous Year
		Actual	Max Assessment Allowed	Recommended	
Airport Business Center	Per parcel	\$217.49	\$217.49	\$217.49	0%
Harden Ranch	Per SFU	\$66.72	\$66.72	\$66.72	0%
	Per Acre	\$353.66	\$353.66	\$353.66	0%
Mira Monte	Per parcel	\$615.39	\$1,067.42	\$619.21	0.62%
Monte Bella	Per EBU	\$645.50	1,487.55	\$645.50	0%
North/East	Low-Density Parcels	\$217.00	\$254.37	\$222.39	2.48%
	Medium Density Parcels	\$134.19	\$152.62	\$137.42	2.41%
	High Density Parcels	\$92.78	\$101.75	\$94.93	2.3%
Vista Nueva	Per Parcel	\$600.00	\$600.00	\$600.00	0%

Local agency assessment rolls must be submitted to the County Assessor’s Office by August of each tax year to ensure that parcel levies are properly 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).

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

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 LMAD’s 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:

A further funding breakdown of the LMAD’s FY 2026-2027 total levy (including the \$10 per parcel collection fee), FY 2026-2027 operating budget, operating reserve fund and capital reserve fund are identified in Table 3 below.

Table 3. Summary of LMAD's FY 26-27 Levies, Budgets and Reserve Balances

LMAD	Total Levy	2026-2027 Operating Budget¹	Estimated Reserve Fund Balance (as of June 2026)²	Recommended Reserve Fund Balance	Estimated Capital Budget³
Airport Business Center Maintenance District (2104)	\$14,468	\$17,422	\$8,919	\$8,936	0
N E Salinas Landscape District (2105)	\$766,696	\$803,500	\$1,718,014	\$401,750	\$18,000
Harden Ranch Landscape District (2106)	\$155,164	\$135,150	\$220,905	\$67,575	0
Vista Nueva Maintenance District (2107)	\$29,890	\$38,150	\$204,923	\$19,075	\$235,000
Mira Monte Maintenance District (2108)	\$124,924	\$159,350	\$286,327	\$79,675	0
Monte Bella Maintenance District (2109)	\$586,466	\$478,000	\$4,681,967	\$239,000	\$3,604,801

The Fiscal Year 2026-27 Operating Budget and Capital Improvement Program were approved by City Council on June 18, 2026.

Airport Business Center Landscape Assessment District No. 87-1

For Fiscal Year 2026-27, annual assessment revenues are projected to fall short by about \$3,562 compared to maintenance expenditures. To maintain a balanced budget, service levels will be reduced, including decreased irrigation and less frequent landscape maintenance. Given these service reductions, staff will initiate discussion with property owners regarding a potential

¹ Per [FY 26/27 - 27/28 City of Salinas Proposed Biennial Operating Budget](#)

² Per [FY 26/27 - 27/28 City of Salinas Proposed Biennial Operating Budget](#)

³ CIPs 9053 (North/East), 9056 (Vista Nueva), and 9120 (Monte Bella)

assessment increase to ensure services are brought up to the levels detailed in the engineer's reports.

Harden Ranch Maintenance Assessment District No. 2

For Fiscal Year 2026-27, the Harden Ranch Maintenance Assessment District is projected to incur operating expenditures of \$135,150, supported by annual assessment revenues of \$155,164. Due to funding constraints, service levels have been reduced to maintain operations within available resources, and the current maintenance contract reflects those reductions. The district maintains a Reserve Fund balance of \$223,381, which may be used to address incidental and unforeseen costs. Given the continued reduction in service levels, staff will initiate discussions with property owners regarding a potential assessment increase to restore services to standard and support the district's long-term financial sustainability.

Mira Monte Maintenance District Landscape & Lighting District No 2 and Assessment District 2000-1

The Mira Monte District maintains an Operating Reserve Fund but does not currently have a Capital Improvement Reserve Fund. Pursuant to the district's formation documents, \$7,100 is to be set aside annually for capital replacements. A capital replacement analysis will be conducted to identify specific projects and the timing of replacements, including curb and gutter, sidewalk repairs, concrete paver driveway clusters, striping, landscaping, and street lighting. Once the analysis is complete, staff will return to City Council with a request to transfer funds from the Operating Reserve Fund to the Capital Improvement Reserve Fund for these projects.

Monte Bella Maintenance District

The Monte Bella District's Capital Improvement Reserve Fund (5800.50.9120) is projected to have a fund balance of \$4,338,286 as of June 2026. For the upcoming fiscal year, staff will conduct a thorough review of all improvements and replacements needed for landscaping infrastructure. This assessment will identify specific projects and determine the timing for their implementation, ensuring that resources are allocated efficiently to address the district's needs. Once the analysis is complete, staff will present their findings to City Council and recommend transfers from reserve funds to support the identified landscaping upgrades and replacements.

Monte Bella assessments are based on the specific special benefits received from park improvements. Properties within the district are only assessed for the special benefits they directly receive, with the general benefit portion funded by the City's General Fund. The General Fund will contribute \$127,333 to the Monte Bella FY 2026-27 operating budget (2109.50.5567) to cover the cost of benefits for parcels outside the district.

North/East Area Maintenance District Landscape and Lighting District No. 1 and Landscaping Assessment District 88-3

The Capital Reserve Fund is expected to have a year-end balance of about \$1,444,508 in FY 2026-27. As the Capital Reserve Fund continues to grow, the City will be developing a capital improvement plan to identify specific projects and timing for replacement of improvements within the District.

Property owners in the North/East District benefit from a combination of general versus specific special benefits with respect to Parks and Open Space Landscaping. The assessment calculation is based on each parcel’s proximity to identified special benefit zones. Parcels within the District may only be assessed for their share of the specific special benefits derived from park improvements. The general benefit portion, which covers areas outside the District’s boundary, must be funded by a source other than the North/East District. Therefore, the City’s General Fund will contribute \$86,540 to the North/East District’s FY 2026-27 Operating Budget (2105.50.5563) to cover the general benefits for parcels outside the District.

Vista Nueva Maintenance Assessment District No. 97-2

For Fiscal Year 2026-27, expenses will exceed assessment revenues by \$4,445, resulting in a reserve fund balance of about \$109,048. Future capital improvement plans are expected to further reduce reserves.

Reserve Funds and General Fund Contributions

Under the 1972 Act, operating reserves cannot exceed six months of anticipated expenses. Therefore, Staff will be preparing detailed needs-based analysis and identifying the specific projects and timing for replacement of improvements within each LMAD. Afterwards, Staff will return to Council to request appropriate transfers from the Operating Reserve Fund to a Capital Improvement Project.

The General Fund transfers identified in Table 4 are requested to fund the cost of general benefits associated with parks and open space improvement that are received by properties located outside the boundaries of the respective LMD’s, as documented in the Engineers’ Reports. Because LMS assessments may only fund special benefits received by properties within the district, the general benefit portion must be funded from a source other than district assessments.

Table 4. General Fund Transfer Requests

LMAD	LMAD Operating Budget	General Fund Contribution FY2026-27	General Fund Contribution FY2027-28
N E Area Landscape District (2105)	2105.50.5563	\$86,540	\$89,139
Monte Bella Maintenance District (2109)	2109.50.5567	\$127,333	\$131,153

ATTACHMENTS:

Resolutions
Engineer Reports