



Item Number: 3

**City Council / Board of Directors**

**Public Hearing(s)**

**Meeting of: July 16, 2024**

**Submitted By:**

Fredy Bonilla, City Engineer

**Subject:**

Annual Confirmation of Maintenance Assessment Districts for Fiscal Year 2024/2025

**Recommendation:**

That the Honorable City Council:

- (1) Open and conduct a public hearing to receive testimony for the final approval of the Engineer's Reports for Maintenance Assessment Districts 1 through 3, Drainage Facility Assessment Districts 1 through 3, Landscape Maintenance Assessment Districts 1 through 8, and the City-Wide Street Lighting Assessment District and adoption of proposed Resolution Nos. 24-049 through 24-052 confirming and ordering the levy and collection of the annual assessments for the respective assessment districts;
- (2) Close the public hearing;
- (3) Give final approval of the Engineer's Reports for each assessment district;
- (4) Adopt Resolution Nos. 24-049 through 24-052; and
- (5) Authorize the Finance Director/City Treasurer to execute all documents related to implementation of the special assessment district fees.

**Fiscal Impact:**

Additional appropriations are not required. The planned expenses have been included in the Fiscal Year 2024/2025 approved budget. The table shown below shows the budget account codes and amounts budgeted for each assessment district.

District	Budget Account No.	Revenue Budget Amt.
LMAD 1	3705501-40180	\$175,959
LMAD 2	3705502-40180	\$278,458
LMAD 3	3705503-40180	\$175,462
LMAD 4	3705504-40180	\$2,955
LMAD 5	3705505-40180	\$158,845

LMAD 6	3705506-40180	\$877,784
LMAD 7	3705507-40180	\$28,846
LMAD 8	3705508-40180	\$111,261
DFAD 1	3705530-40180	\$395,288
DFAD 2	3705531-40180	\$76,808
DFAD 3	3705532-40180	\$86,905
MAD 1	3705550-40180	\$89,268
MAD 2	3705551-40180	\$64,498
SLAD	2004501-40180	\$1,445,000

MAD 3 was established in 2020 and is currently undeveloped. As such, it was not budgeted for in the Fiscal Year 2024/2025 approved budget. The projected revenue amounts above are based on the actual amounts that have been collected in the previous years and consistent with the approved Fiscal Year 2024/2025 budget.

**Strategic Plan Goal:**

This item aligns with Goal A “Financial Sustainability” and Goal E “Invest in Infrastructure” in the City of Victorville Strategic Plan 2023-2026. Annual assessment revenue supports the expenses for operations, maintenance, and improvement of associated landscaping, parks, and infrastructure.

**Background:**

In 1987, the City Council established the first Landscape Maintenance Assessment District (LMAD) to fund the perpetual maintenance of the landscaped areas along major and secondary arterial roadways adjacent to housing developments. In 2003, the City Council established the first Drainage Facilities Assessment District (DFAD) to fund the perpetual maintenance of drainage basins and channels in housing developments. In 2006, the City Council established the first Maintenance Assessment District (MAD) to fund the perpetual maintenance of parks within housing developments. In July of 2013, the City-Wide Street Lighting Assessment District (SLAD) was established to provide a supplemental funding source for the perpetual maintenance of the City’s street lighting, safety lighting, and traffic signal lighting systems and facilities. The noted Assessment Districts were formed under the Landscape and Lighting Act of 1972, Section 22605 of the Streets and Highways Code, Section 22500 et seq., as per the requirements set forth in Proposition 218. Currently, the City has a total of 15 assessment districts: eight LMADs, three DFADs, three MADs, and one City-Wide SLAD.

**Discussion:**

During the regular City Council meeting on June 18, 2024, the Council initiated the proceedings and ordered the Engineer’s Reports, preliminarily approved the Engineer’s Reports, and declared intent to levy and set the Public Hearing date. This fiscal year, a 15% increase of the assessment rate for SLAD and no increases are recommended for those districts that have an allowable cost inflator (i.e. LMADs 5-8, DFADs 1-3 and MADs 1-3) as those districts have adequate cash balances in their corresponding funds. The attached Engineer’s Reports are in final form and include more details regarding the number of parcels and how the rates are applied.

The Engineer's Report for the Street Lighting Assessment District was revised since the June 18, 2024, City Council meeting. The 37 traffic signals that are owned and operated by Caltrans were updated with accurate locations. Additionally, revenues within some of Engineer's Reports were updated to the correct assessment based on an increased parcel unit count. These changes were minor and did not change the proposed recommendations. Revenue projections from the City's Fiscal Year 2024/2025 budget will need to be increased at midyear, as, the official parcel counts from the County for LMAD 1, LMAD 6 and DFAD 1-2 increased slightly, and this information was received after preparation of the FY 2024/2025 budget. The County provided the updated parcel counts delineating developed, underdeveloped or not developed and exempt parcels.

Required procedures now allow the public to comment during this meeting before approving the final resolutions. If the resolutions are approved, the special assessments will be submitted to the San Bernardino County Assessor's Office prior to their August 10, 2024 deadline. The County will then be able to apply the special assessments to the tax rolls.

Therefore, staff recommends that the Council conduct a public hearing and receive testimony, give final approval of the Engineer's Reports, and adopt Resolution Nos. 24-049 through 24-052 confirming and ordering the levy and collection of the annual assessments for the respective assessment districts.

Staff remains available to answer any questions the Council may have.

- Attachments:**
- A. Maintenance Assessment Districts Maps
  - B. Resolution No. 24-049
  - C. Resolution No. 24-050
  - D. Resolution No. 24-051
  - E. Resolution No. 24-052
  - F. Staff Report: June 18, 2024