



**Item Number: 13**

**City Council / Board of Directors**

**Written Communications**

**Meeting of: May 4, 2021**

**Submitted By:**

Brian Gengler, City Engineer

**Subject:**

Initiate the Annexation of Tract No. 16774 into Landscape Maintenance Assessment District No. 5 (LMAD 5) and Drainage Facilities Assessment District No. 2 (DFAD 2)

**Recommendation:**

That the Honorable City Council approve Resolution Nos. 21-028 and 21-029 to initiate proceedings to annex Tract No. 16774 into LMAD 5 and DFAD 2 and direct the preparation of an Engineer's Report for each district.

**Fiscal Impact:**

There is no fiscal impact associated with the approval of Resolution Nos. 21-028 and 21-029. The estimated administrative costs to prepare the Engineer's Reports and related annexation documents, together with the costs to maintain and service the landscaping and drainage improvements, will be included in the first assessment to be levied on the properties in Tract 16774 (Attachments D and E). It is anticipated that the maintenance costs will start in Fiscal Year 22/23. Maintenance and servicing of the landscaped and drainage areas in future years will be covered by the subsequent annual assessments levied on these and other properties within the boundaries of LMAD 5 and DFAD 2.

**Background:**

The property owner for Tract Map No. 16774 (hereinafter called Tract 16774) has petitioned the City to annex the tract into the Vista Verde LMAD 5 and the Vista Verde DFAD 2 in order to comply with the Conditions of Approval for Tract 16774.

Tract 16774 is located north of La Mesa Road, east of Mesa View Road, south of Dos Palmas Road, and west of Highway 395 (please refer to Attachment C, a vicinity map). Tract 16774 is a 150-lot single-family subdivision that includes drainage improvements throughout the tract as well as a drainage channel along Highway 395 and landscaping areas along La Mesa Road and Peña Road.

The Assessor Parcel Numbers and addresses of the properties in Tract 16774 proposed for annexation are shown in Exhibit A of Resolution Nos. 21-028 and 21-029 (please refer to Attachments A and B). This annexation will provide for the perpetual maintenance and servicing of the landscaping and drainage improvements by means of a new annual assessment to each property in Tract 16774.

**Discussion:**

The City formed LMAD 5 in 2002 and DFAD 2 in 2003 pursuant to the Landscaping and Lighting Act of 1972, Streets and Highways Code section 22500 et seq. (the "Act"); the applicable provisions of Proposition 218 (Article XIII D of the California Constitution, hereinafter referred to as the "California Constitution"); and Government Code section 53753, part of the Omnibus Act.

LMAD 5 and DFAD 2 allow the City to collect assessments for maintaining and servicing landscaping and drainage improvements within these districts. Assessments are levied and collected annually according to the special benefits received by properties from the improvements provided by the City. The formation documents of LMAD 5 and DFAD 2 contain a mechanism permitting the annual assessment amount to be adjusted from time to time, commensurate with increases in the costs to maintain the landscaping and drainage improvements.

A public hearing on the amount of the assessments is conducted annually by the City Council. In accordance with the special benefit calculation contained in the annual Engineer's Report, the total assessments for LMAD 5 and DFAD 2 are equally distributed amongst all the parcels within the boundaries of LMAD 5 and DFAD 2. The current annual assessment amounts per parcel are \$135.63 for LMAD 5 and \$57.99 for DFAD 2. Both LMAD 5 and DFAD 2 are adequately funded to perform all required maintenance and servicing of the proposed landscape and drainage improvements in Tract 16774.

Sections 22605 through 22613 of the Act, as amplified by the California Constitution and Government Code section 53753, provide procedures for annexation of new territory into an existing assessment district. In order for Tract 16774 to become subject to the annual assessments applicable to LMAD 5 and DFAD 2 and to receive the level of perpetual maintenance provided to other properties in LMAD 5 and DFAD 2, annexation to LMAD 5 and DFAD 2 is required.

For these annexations, to occur, the City Council must approve a series of eight resolutions at three City Council meetings. The attached Resolution Nos. 21-028 and 21-029, will initiate annexation and order the City Engineer to prepare, and file with the City Clerk for City Council consideration, the Engineer's Reports required by the Act. The reports will include the estimated costs of the annexations, a description of the improvements and special benefits to be received by the parcels, a determination of the estimated amounts of the assessments to be levied upon the properties proposed to be annexed, an annexation map, and other information as required by Article 4 (commencing with section 22565) of the Act and the California Constitution, as amplified by Government Code section 53753.

If Resolution Nos. 21-028 and 21-029 are approved, the Engineer's Reports will be submitted to the City Council for consideration at its next regular meeting. If approved, the Engineer's Reports would be approved by a second set of resolutions, which would also declare the City Council's intent to annex Tract 16774 to LMAD 5 and DFAD 2. At that same meeting, a third set of resolutions would also be approved by the City Council to set a public hearing and order mailing of hearing notices and assessment ballots to the property owners in Tract 16774, no less than 45 days prior to said public hearing.

The City Council would then conduct the public hearing and count the assessment ballots submitted. If, at the end of the public hearing, the ballots cast in favor of the annexation exceed the ballots cast in opposition, the City Council may proceed to annex Tract 16774 to LMAD 5 and DFAD 2, order the assessment to be levied, and complete the subsequent annexation by approving a fourth and final set of resolutions.

Staff remains available for any questions Council may have.

- Attachments:**
- A. Resolution No. 21-028 (LMAD 5)
  - B. Resolution No. 21-029 (DFAD 2)
  - C. Vicinity Map
  - D. Estimate of the Annexation Costs and First Year Assessment for LMAD 5
  - E. Estimate of the Annexation Costs and First Year Assessment for DFAD 2