



## Council Agenda Report

From: Dwayne Brown, Maintenance Services Superintendent

Subject: Initiating the Annual Levy of Landscape & Lighting District No. 1 and Drainage Maintenance District 2008-1 for Fiscal Year 2024-25

CEQA Determination: The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378

Date: May 7, 2024

---

### Facts

1. The Paso Robles Landscape & Lighting Maintenance District No. 1 (LLD) was formed in 1989 for the ongoing maintenance of streetlights, hardscapes, detention basins, parkways, median islands, open space, slopes, and other related appurtenant facilities.
2. The City began assessing parcels within the LLD in 1993.
3. Over 4,100 lots are organized into 19 Zones and 145 designated Sub Areas in the LLD.
4. In FY 2007-08, Drainage Maintenance District No. 2008-1 (DMD) was formed for the maintenance of drainage improvements associated with the Ashwood Place (PR03-0338) Subdivision. The DMD requires the same annual levy process as the LLD.
5. The annual levy is a two-step process. The first step is in three parts: (1) adopting a Resolution to initiate the annual levy proceedings; (2) adopting a Resolution to preliminarily approve the Engineer's Report; and (3) adopting a Resolution scheduling a Public Hearing on June 4, 2024.
6. The second and final step is to conduct a Public Hearing to consider approval of the final Engineer's Report and authorize the levy and collection of assessments.

### Options

1. Take no action;
2. Approve resolutions to initiate proceedings for the annual levy of the Landscape & Lighting Maintenance District No. 1 and Drainage Maintenance District 2008-1 for Fiscal Year 2024-25; the preliminary Engineer's Report; to declare the City's intention to levy assessments in order to maintain the landscaping and related improvements; to set the Public Hearing to consider approval of the final Engineer's Report; authorize the levy and collection of assessments for June 4, 2024; and take other actions to initiate the proceedings; or
3. Direct staff to pursue a different approach.

### Analysis and Conclusions

#### Landscape & Lighting Maintenance District No. 1:

The LLD provides a funding mechanism to deliver to the public the benefit of street lighting, landscaping, drainage, and related facilities associated with various developments in the City. Economy of scale is achieved by combining the efforts for all maintenance services within separate geographic locations as

individual Sub Areas or groups of Sub Areas known as Zones. Landscape maintenance contractors contract directly with the City to maintain the Sub Areas and Zones.

LLD funding is determined annually. Each Sub Area's costs are determined based on the landscape, lighting, and other amenities associated with a tract, and the costs associated with the maintenance of those improvements. Costs are apportioned to the parcels within each Sub Area in an equity-based formula. Each Sub Area is essentially assessed for only those maintenance services and activities funded by property owners within that particular Sub Area.

Of the 4,066 assessable parcels, 1,802 (44%) will be assessed an annual increase of \$10 or less. A total of 2,204 (54%) will be assessed an increase between \$10 and \$50. The remaining 60 parcels (2%) will be assessed an increase between \$51 and \$100 annually.

In all cases where an increase is proposed, monies will be applied to the operation and maintenance of applicable neighborhood improvements, most significantly increased water and landscape maintenance contractor costs.

The flexibility to maintain Landscape & Lighting Districts was changed by Proposition 218. Initially, Proposition 218 limited the annual assessments to the maximum historical Sub Area levy amounts. For Sub Areas in existence prior to Proposition 218, most had maximum amounts that were quickly eclipsed due to cost inflation. Although Proposition 218 also authorizes increasing an existing assessment if recommended by the District Engineer, such an increase may only be imposed following a majority protest ballot proceeding. The assessment may not be increased beyond levels originally approved if there is a majority protest. A majority protest exists if, at the conclusion of the public hearing, the property owner ballots submitted and not withdrawn opposing the assessment exceed the ballots submitted in favor of the assessment.

There are no Sub Areas being balloted for FY 2024-25.

For those Sub Areas where a new or increased assessment has been proposed, but not approved by the property owners (as occurred in FY 2003-04, FY 2006-07 and FY 2022-23 in some Sub Areas), a reduction in service was instituted beginning September 1, 2006 to make the level of service commensurate with the assessment revenues available.

#### Drainage Maintenance District No. 2008-1:

The DMD provides the necessary annual funding to service and maintain drainage improvements associated with the Ashwood Place (PR03-0338) Subdivision. It has been determined that the improvements are required and necessary for the orderly development of the lots and parcels of land within the Subdivision and that the improvements and services will enhance and protect those properties as well as ensure the ecological and environmental integrity of the drainage improvements (creek area).

#### **Fiscal Impact**

The LLD is funded through annual assessments of approximately \$2 million per year. As such, the maintenance and administrative costs, including the costs for the preparation of the Levy Reports and filing with San Luis Obispo County, are funded from the same assessments. Should City Council choose not to assess properties, this would have a direct impact on the General Fund.

### **CEQA Determination**

The City finds the action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378 because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect of the environment, and the action has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment.

### **Recommendation**

1. Approve Resolution 24-XXX (A), initiating proceedings for the annual levy of assessments for the maintenance of Landscape & Lighting Maintenance District facilities.
2. Approve Resolution 24-XXX (B), initiating proceedings for the annual levy of assessments for the maintenance of Drainage Maintenance District facilities.
3. Approve Resolution 24-XXX (C), adopting the draft preliminary Landscape & Lighting Maintenance District Engineer's Levy Report as presented and making it available to the public for review and comment.
4. Approve Resolution 24-XXX (D), adopting the draft preliminary Drainage Maintenance District Engineer's Levy Report as presented and making it available to the public for review and comment.
5. Approve Resolution 24-XXX (E), declaring the intent to levy for maintenance of the Landscape & Lighting Maintenance District facilities and cause a Notice to be published for a Public Hearing to be scheduled June 4, 2024.
6. Approve Resolution 24-XXX (F), declaring the intent to levy for maintenance of the Drainage Maintenance District facilities and cause a Notice to be published for a Public Hearing to be scheduled June 4, 2024.

### **Attachments**

1. Resolutions 24-XXX(A-F)
2. Landscape & Lighting Maintenance District No. 1 2024/25 Preliminary Engineer's Annual Levy Report
3. Landscape & Lighting Maintenance District No. 1 2024/25 Preliminary Assessment Roll
4. Drainage Maintenance District 2008-1 2024/25 Preliminary Engineer's Report
5. Drainage Maintenance District 2008-1 2024/25 Preliminary Assessment Roll