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City of South Gate

Item No. 6

JAN 13 2021

CITY COUNCIL

CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER

AGENDA BILL

2:05pm

For the Regular Meeting of: January 26, 2021

Originating Department: Public Works

Department Director:

  
Arturo Cervantes

Interim City Manager:

  
Chris Jeffers

**SUBJECT: RESOLUTION INITIATING ANNUAL PROCEEDINGS FOR THE LEVY OF THE FISCAL YEAR 2021/22 ASSESSMENTS AND ORDERING PREPARATION OF AN ENGINEER'S REPORT FOR THE STREET LIGHTING AND LANDSCAPE MAINTENANCE DISTRICT NO. 1**

**PURPOSE:** The City levies an assessment annually on parcels citywide as a requirement of the Street Lighting and Landscape Maintenance District No. 1 (District). The amount of the assessment is established annually through a proceeding that requires several City Council actions. The first of the actions is to adopt a Resolution to (a) initiate the annual proceedings and (b) order the preparation of the Engineer's Report.

**RECOMMENDED ACTION:** Adopt Resolution initiating the annual proceedings for the levy of the Fiscal Year 2021/22 assessments and ordering the preparation of an Engineer's Report for the Street Lighting and Landscaping Maintenance District No. 1.

 **FISCAL IMPACT:** The assessment for a single parcel is proposed at \$2.38 per adjusted front footage, which said amount has not changed for more than two decades. The revenue for FY 2021/22 is estimated to be \$2,005,360 while the cost to operate the District is estimated to be \$2,781,147. The estimated operating shortfall of \$775,787 will be funded by the General Fund.

**ANALYSIS:** The assessment amount is currently set at \$2.38 per adjusted front footage. The total in revenue produced from this assessment has remained approximately constant over the years while the total cost of maintaining the District has increased, leaving an operating shortfall. At this time, staff does not plan on proposing an increase to the assessment to resolve the operating shortfall.

District revenue can only be utilized to meet the original intent of the District: maintain and operate landscaping and lighting systems citywide and within City streets. Qualifying expenditures include operations and maintenance of: (a) landscaping (trees, shrubs, grass, other ornamental vegetation, irrigation systems and drainage systems) and (b) lighting systems (illuminated signs, decorative light fixtures, street furniture, street lights and traffic signals), inclusive of labor and materials.

**BACKGROUND:** The District was formed in 1981 and operates pursuant to the Landscaping and Lighting Act of 1972 (California Streets and Highways Code). The District provides the authority to levy an assessment on parcels of land which have been identified as receiving a direct "special benefit" from a public improvement. The District encompasses the entire City; therefore, the assessment is levied on all parcels citywide.

Annually, the District's funds are levied and collected by the Los Angeles County Assessor's Office (LA County) on behalf of the City, in the property tax roll. Several actions from the City Council are required to provide LA County the authority to levy and collect the assessments, according to LA County requirements and applicable State law. The first step is to adopt the proposed Resolution which initiates the proceedings and orders the preparation of the Engineer's Report.

The schedule for the proceedings is as follows:

Date	City Council Action
1/26/2021	Adopt Resolution initiating proceedings to levy assessments and ordering preparation of the Engineer's Report.
4/27/2021	1. Adopt Resolution preliminarily approving Engineer's Report. 2. Adopt Resolution declaring the City's intention to levy and collect assessments and set a public hearing May 25, 2021.
5/25/2021	Conduct a public hearing and adopt a Resolution confirming the area boundary and ordering the levy of annual assessments.
8/06/2021	Deadline for filing assessment roll.

**ATTACHMENT:** Proposed Resolution

KT:lc

**RESOLUTION NO. \_\_\_\_\_**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,  
CALIFORNIA, INITIATING THE ANNUAL PROCEEDINGS FOR THE  
LEVY OF THE FISCAL YEAR 2021/22 ASSESSMENTS AND ORDERING  
THE PREPARATION OF AN ENGINEER'S REPORT FOR THE STREET  
LIGHTING AND LANDSCAPING MAINTENANCE DISTRICT NO. 1**

**WHEREAS**, in 1981, the City Council formed a special maintenance district pursuant to the terms of the "Landscaping and Lighting Act of 1972", Division 15, Part 2 of the Streets and Highways Code of the State of California, such special maintenance district known and designated as Maintenance District No. 1 ("District");

**WHEREAS**, the District provides the authority to levy an assessment on parcels of land which have been identified as receiving a direct "special benefit" from a public improvement;

**WHEREAS**, annually, the District's funds are levied and collected by the Los Angeles County Assessor's Office on behalf of the City, in the property tax roll; and

**WHEREAS**, at this time the City Council desires to initiate proceedings to provide for the annual levy of assessments for Fiscal Year 2021/22 to finance the annual costs of maintenance and/or servicing of improvements within the District.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES  
HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council does hereby declare that the above recitals are all true and correct.

**SECTION 2.** The City Council does hereby declare its intention, as required by the public interest, to initiate proceedings for the annual levy and collection of special assessments for the payment of annual maintenance and/or servicing costs within the District for new improvements or any substantial changes in existing improvements or zones are proposed as a part of these proceedings.

**SECTION 3.** The City Council does hereby delegate the City Engineer to conduct the annual maintenance and/or servicing of the improvements and is directed to make and file a report essentially containing the following:

- A. Plans and specifications describing the general nature, location and extent of the existing improvements to be maintained and/or serviced;

- B. An estimate of the cost of the maintenance and/or servicing of the improvements for the District for the referenced fiscal year;
- C. A diagram of the District, showing the lots and/or parcels to be assessed; and
- D. An assessment that covers the estimated cost of the maintenance and/or servicing, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefits received by each lot or parcel. Assessments may or may not be increased from those levied for the prior or current fiscal year.

Upon completion of the preparation of the assessment engineer's report, the original shall be filed with the City Clerk, who shall then submit the same to the City Council for its immediate review and consideration.

**SECTION 4.** The City Council does hereby direct that the above assessment engineer's report include all costs and expenses of such maintenance and/or servicing relating to the Fiscal Year commencing July 1, 2020 and ending June 30, 2021.

**SECTION 5.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 26<sup>th</sup> day of **January 2021**.

**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Maria Davila, Mayor

**ATTESTED:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney