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OAKLAND

2016 MAR 10 PM 12:30

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Kiran Bawa

SUBJECT: FY 2016-17 Landscaping and Lighting
Assessment District (LLAD) –Initiation

DATE: February 22, 2016

City Administrator Approval

Date:

8
3/10/16

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Initiating The Fiscal Year (FY) 2016-17 Assessment Process For The City Of Oakland Landscaping And Lighting Assessment District And Authorizing The City Administrator Or Designee To Order A Preliminary Engineer's Report Pursuant To The California Streets And Highways Code.

EXECUTIVE SUMMARY

This report and resolution will initiate the Fiscal Year (FY) 2016-17 assessment process of the Landscaping and Lighting Assessment District (LLAD) for inclusion in the FY 2016-17 property tax roll. Detailed assessment data for all affected properties are due to the Alameda County Auditor-Controller Agency by August 10, 2016. The proposed resolution orders the preparation of a preliminary Engineer's Report, which will set forth the LLAD findings and engineering analyses.

BACKGROUND/LEGISLATIVE HISTORY

The California Landscaping and Lighting Act of 1972 (California Streets and Highways Code Sections 22500-22679) allows local government agencies to form assessment districts for the purpose of financing the costs and expenses of landscaping and lighting in public areas, among other things as noted below. The City of Oakland formed the LLAD on June 23, 1989. In July 1993, the City increased the assessment rates after preparation of an engineer's report, notice and hearing, and public opportunity to comment. In November 1994, the Oakland electorate approved the LLAD and assessments.

In January 2011, the Alameda County Superior Court ruled that the assessments, which were approved by the registered voters prior to the adoption of Proposition 218, are exempt from the requirements of Proposition 218.

The City Council annually approves a resolution for the LLAD initiation, intention, and confirmation and conducts a public hearing that coincides with the June budget hearings.

Item: _____

Finance and Management Committee
March 22, 2016

ANALYSIS AND POLICY ALTERNATIVES

Landscaping and Lighting Assessment District (LLAD) Coverage and Boundaries:

The LLAD, utilizing a direct benefit assessment, provides a funding source for city parks, grounds and landscaped medians, open space, pools, and custodial services at about 40 park and recreation facilities, 43 stand-alone restrooms, and many other recreation-related buildings and infrastructure in the City of Oakland. The LLAD also supports activities such as community gardens and ball field maintenance, and pays utility costs for City street lights and water use at parks and fields. The LLAD boundaries coincide with the City of Oakland boundaries and encompass all land parcels within the City. The LLAD boundaries remain the same as those described in the FY 2015-16 Engineer's Report approved by the City Council, Resolution No. 85632 C.M.S., on June 2, 2015.

Annual LLAD Process and Timeline:

In compliance with the California Streets and Highways Code, Section 22622, staff prepared a resolution initiating the annual assessment process of the LLAD for the FY 2016-17 property tax roll. The resolution (**Attachment A**) describes the importance of initiating the LLAD and authorizes the City Administrator or designee to order the District Engineer to prepare and file with the City Clerk, a Preliminary Engineer's Report for this district.

The California Streets and Highways Code Sections 22620-22631 apply to all assessments levied and collected for a fiscal year, within an existing assessment district. The code describes the process requirements for levying assessments as follows:

1. Request a preliminary engineer's report be prepared which includes: a listing of improvements to be operated and maintained, a budget identifying the cost to operate and maintain those improvements, a description of the methodology to spread the costs to the benefitting properties within the LLAD, and a listing of each individual assessment. (This step is the subject of this City Council report and resolution).
2. Approve the engineer's report and adopt a resolution of intention. The resolution of intention declares the City Council's intention to levy and collect assessments within the LLAD for the fiscal year. It also states whether the assessment is proposed to change from the previous year and sets a public hearing date, time, and location. (This is the next step which will come to the City Council Finance and Management Committee in April).
3. Conduct the public hearing affording all interested parties the opportunity to hear and be heard. The public hearing is tentatively scheduled to occur at 6:30 p.m. on June 7, 2016.
4. Adopt a resolution confirming the engineer's report information and the assessment levy within the LLAD for the fiscal year.

The City of Oakland collects the LLAD assessment through the County of Alameda property tax bill. Upon fulfillment of the LLAD requirements, the City of Oakland must submit the detailed

assessment data for all affected properties to the Alameda County Auditor-Controller Agency for inclusion in the FY 2016-17 property tax roll by August 10, 2016.

FISCAL IMPACT

This report simply initiates the annual LLAD assessment process. Per Resolution No. 84814 C.M.S., the contractual agreement with Francisco & Associates, Inc. was previously executed and funding is available to maintain the contract until December 2017. There is no impact on the General Fund and no additional funding is requested.

Although the legislation presented through this agenda report only initiates the LLAD in order to levy the tax this year, staff wanted to note that in the LLAD “Intention” and “Confirmation” phases of the process, more detailed discussions can be held regarding the LLAD anticipated deficit. The FY 2015-16 Second Quarter Revenue and Expenditure report projects a deficit of \$0.03 million in the current fiscal year, further growing the deficit in the LLAD fund balance to an estimated \$1.27 million. The LLAD has steadily improved its FY 2008-09 negative fund balance of approximately \$6 million, however, rapidly increasing costs (e.g., utility rates, personnel, etc.) and the inability to adjust the assessment rate has prevented the City from reaching its goal of maintaining a positive fund balance.

PUBLIC OUTREACH/INTEREST

A public hearing for the final report is tentatively scheduled for June 7, 2016 at 6:30 p.m.

COORDINATION

The report was prepared in coordination with the Oakland Public Works Department, the Office of the City Attorney, the Controller’s Bureau, and Francisco & Associates, Inc. (the City’s Contractor who annually administers special financing districts).

PAST PERFORMANCE

The LLAD has provided funding for maintenance at city parks, grounds and landscaped medians, open space, pools, and custodial services at about 40 park and recreation facilities, 43 stand-alone restrooms, and many other recreation-related buildings and infrastructure in the City of Oakland. The LLAD also supports activities such as community gardens and ball field maintenance, and pays utility costs for City street lights and water use at parks and fields.

SUSTAINABLE OPPORTUNITIES

Economic: Revenues generated from this assessment are relied upon to fund essential City services.

Environmental: Clean parks, tot lots, and recreational facilities reduce urban blight and provide plants that produce oxygen and trees that filter air.

Social Equity: Parks and recreational facilities provide a venue for healthy activities and a safe environment for the public. Well lit streets and recreational areas help increase public safety for everyone.

ACTION REQUIRED BY THE COUNCIL

Staff Recommends That The City Council Adopt A Resolution Initiating The Fiscal Year (FY) 2016-17 Assessment Process For The City Of Oakland Landscaping And Lighting Assessment District And Authorizing The City Administrator Or Designee To Order A Preliminary Engineer's Report Pursuant To The California Streets And Highways Code.

For questions regarding this report, please contact Chantal Cotton Gaines, at (510) 238-7587.

Respectfully submitted,



KIRAN BAWA
Budget Director

Prepared by:
Chantal Cotton Gaines,
Assistant to the City Administrator
City Administrator's Office

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2016 MAR 10 PM 12:34

Approved as to Form and Legality
DRAFT
Oakland City Attorney's Office

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

**RESOLUTION INITIATING THE FISCAL YEAR (FY) 2016-17
ASSESSMENT PROCESS FOR THE CITY OF OAKLAND
LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT AND
AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO
ORDER A PRELIMINARY ENGINEER'S REPORT PURSUANT
TO THE CALIFORNIA STREETS AND HIGHWAYS CODE**

WHEREAS, the City of Oakland Landscaping and Lighting Assessment District (LLAD) was established on June 23, 1989 under the authority of the California Streets and Highways Code Section 22500, et seq., known as the Landscaping and Lighting Act of 1972; and

WHEREAS, the City desires to initiate the FY 2016-17 LLAD assessment for properties within the district boundaries; and

WHEREAS, the California Streets and Highways Code Section 22622 requires that the City Council adopt a resolution describing any proposed new improvements, or any substantial changes in existing improvements, and order the District Engineer to prepare and file a report with the City Clerk for further submission to the City Council; now, therefore be it

RESOLVED: That the existing boundaries of the LLAD remain the same as those described in the FY 2015-16 Engineer's Report approved by the City Council, Resolution No. 85632 C.M.S., on June 2, 2015; and be it

FURTHER RESOLVED: That regular capital improvements to existing facilities and amenities within the LLAD are necessary to maintain and enhance these assets and are performed as funding is available to support these improvements; and be it

FURTHER RESOLVED: That the City Council initiates the annual assessment process for the City of Oakland LLAD for FY 2016-17; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator or designee to order a Preliminary Engineer's Report for FY 2016-17 for the City of Oakland Landscaping and Lighting Assessment District; and be it

FURTHER RESOLVED: That the Preliminary Engineer's Report shall be filed with the City Clerk for submission to the City Council for further action.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, PRESIDENT GIBSON MCELHANEY, KALB, KAPLAN, REID, CAMPBELL WASHINGTON, and GUILLIEN

NOES-

ABSENT-

ABSTENTION-

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California