



AGENDA REPORT

TO: Steven Falk
Interim City Administrator

FROM: Erin Roseman
Finance Director

SUBJECT: FY 2023-24 Landscaping and Lighting
District (LLAD) – Confirmation

DATE: May 8, 2023

City Administrator Approval

Date: May 25, 2023

RECOMMENDATION

Staff Recommends That The City Council Conduct a Public Hearing and Upon Conclusion Adopt A Resolution Confirming The City Of Oakland Landscaping And Lighting Assessment District (LLAD) For Fiscal Year (FY) 2023-24 And The Levying Of Assessments.

EXECUTIVE SUMMARY

Upon completion of the public hearing on June 6, 2023, this resolution would confirm the information in the Engineer's Report and the levy of assessments within the Landscaping and Lighting District (LLAD) for Fiscal Year 2023-24. The City of Oakland collects the LLAD assessments through the County of Alameda property tax bill. Upon fulfillment of the LLAD requirements, the City of Oakland will submit the assessment roll to the Alameda County Auditor- Controller by August 10, 2023, for inclusion in the Fiscal Year 2023-24 property tax roll.

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 to finance the costs and expenses of landscaping and lighting in public areas, among other things, as noted below in the Analysis Section. 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.

The City Council annually approves a series of resolutions 1) initiating the process to levy the annual LLAD assessments by ordering the preparation of the Preliminary Engineer's Report, 2) approving the Preliminary Engineer's Report, declaring the intention to levy the annual assessments, and setting the date of the public hearing to take final action on the levying of the annual assessments; and 3) confirming the assessments after the public hearing. The City

City Council
June 6, 2023

Council approved and adopted the LLAD Initiation and Intention Resolutions on May 2, 2023, and May 16, 2023, respectively.

ANALYSIS AND POLICY ALTERNATIVES

The policy recommendation in this report advances the Citywide priority of **Vibrant, Sustainable Infrastructure** by moving the City through its annual process to approve LLAD assessments that fund and invest in its ongoing park infrastructure throughout its many public areas. The information below was also shared in the Initiation and Intention report, which was included with resolutions adopted by City Council on May 2, 2023, and on May 16, 2023. It is again included here for reference related to the current proposed confirmation resolution.

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 140 park and recreation facilities, 44 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 streetlights 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 2022-23 Engineer's Report approved by the City Council, [Resolution No. 89194 C.M.S.](#), on May 17, 2022.

Annual LLAD Process and Timeline

In compliance with the [California Streets and Highways Code, Sections 22622 through 22624](#), staff prepared, and Council approved a resolution initiating the annual assessment process of the LLAD for the Fiscal Year 2023-24 property tax roll. The resolution described the importance of initiating the LLAD. Also, it authorized 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 describes the annual process/requirements for levying assessments as follows:

1. Request that a preliminary engineer's report be prepared, which includes: a listing of improvements to be operated and maintained, a cost estimate 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 was completed at the May 2, 2023, City Council Meeting).
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 step was completed at the May 16, 2023, City Council Meeting).

City Council
June 6, 2023

3. Conduct the public hearing affording all interested parties the opportunity to hear and be heard, and after the public hearing, adopt a resolution confirming the final engineer’s report information and the assessment levy within the LLAD for the fiscal year (this is the proposed resolution). The public hearing is scheduled to occur at 4 p.m. on June 6, 2023.

4. 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 for inclusion in the Fiscal Year 2023-24 property tax roll by August 10, 2023.

Assessment

The proposed resolution states that the City Council does not intend to increase assessments for the Fiscal Year 2023-24 LLAD. The current assessment rate structure has been in place since Fiscal Year 1993-94. The following **Table 1**, taken directly from the Engineer’s Report, summarizes the assessment revenue by benefit zone and general land use. Zones, zone maps, and rate calculations are included in the attached Engineer’s Report (*Exhibit A*).

Table 1: Assessments Summary

Table 5: ASSESSMENT REVENUE BY IMPROVEMENT TYPE AND BENEFIT ZONE						
DESCRIPTION	Zone 1		Zone 2		Zone 3	Total All Zones
	Residential	Non Residential	Residential	Non Residential	Non Residential	
Lighting	\$1,158,862	\$653,514	\$399,559	\$139,843	\$198,939	\$2,550,717
Landscaping	\$8,861,828	\$2,362,705	\$3,317,439	\$549,206	\$927,451	\$16,018,629
Total Estimated Assessments	\$10,020,689	\$3,016,219	\$3,716,998	\$689,050	\$1,126,390	\$18,569,346

The Fiscal Year 2023-24 Final Assessment Roll attachment to the Final Engineer’s Report is not included here due to its large file size; however, it is on file with the City Clerk. The Final Assessment Roll attachment is a document that lists all properties within the assessment district by Assessor’s Parcel Number and identifies each property’s assessment amount.

FISCAL IMPACT

This report confirms the City’s annual LLAD process in order to levy the assessment this year. Over the past few years, the LLAD has reversed its historical negative fund balance. However, it should also be noted that rapidly increasing costs (e.g., utility rates, personnel, etc.) and the inability to adjust the assessment rate requires the City to contribute additional funding to maintain the same level of activity. Projected for the FY 2023-24 Biennial Budget, a reallocation of LLAD-eligible expenditures is expected due to funding shortfalls to prevent a reduction in services. The reallocation would be to non-assessment funding sources (Measure Q – Parks, Gas Tax Funds, etc.) to maintain current service levels through FY 2023-24.

District Engineer Contract

A contractual agreement with Francisco & Associates, Inc. was previously executed, and funding is available to maintain the contract until December 2023. There is no impact on the General Purpose Fund. and no additional funding is requested.

PUBLIC OUTREACH/INTEREST

Pursuant to the California Streets and Highways Code, the City Council must hold a public hearing to provide an opportunity for any interested party to be heard. The public hearing is set for Tuesday, June 6, 2023, at 4 p.m. or as soon thereafter as the item may be heard in the City Council Chambers or via teleconference.

COORDINATION

This report was prepared in coordination with the Finance Department, the City Administrator's Office, and Francisco & Associates, Inc. (the City's Contractor who annually administers special financing districts).

SUSTAINABLE OPPORTUNITIES

Economic: The LLAD generated revenue funds the maintenance of city parks, grounds and landscaped medians, open space, pools, and custodial services at about 38 park and recreation facilities, 44 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 streetlights and water use at parks and fields.

Environmental: Providing and maintaining clean parks, tot lots, and recreational facilities reduces urban blight, littering, vandalization, and graffiti. It also provides natural sources of fresh oxygen, needed shade and air coolant, beautification, and aesthetic enhancement. Landscaped parks and strips also act as environmental cleaners by capturing dust, minimizing noise compared to concrete, and absorbing water runoff. All the environmental benefits lead to a healthier community.

Race & Equity: The LLAD coincides within the boundaries of the City of Oakland and encompasses all residential and non-residential parcels of land, which enhances all residents' lives within the City. Well-lit and functioning streetlights provide better lighting to adjacent property owners, motorists, and pedestrians traveling at night and better security and protection to properties. Maintained landscapes, parks, and facilities provide the community with areas to enjoy sporting events, social events, and other physical and social activities. These activities are proven to increase a sense of community, increased property value, and lead to multiple mental and health benefits.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Conduct a Public Hearing and Upon Conclusion Adopt A Resolution Confirming The City of Oakland Landscaping and Lighting Assessment District Fiscal Year (FY) 2023-24 Engineer's Report And The Levying Of Assessments.

For questions regarding this report, please contact Ecaterina Burton, Senior Budget & Management Analyst, at (510) 238-2038.

Respectfully submitted,



ERIN ROSEMAN
Finance Director
Finance Department

Reviewed by:
Rina Stabler, Assistant Budget Administrator
Budget Bureau

Prepared by:
Ecaterina Burton,
Senior Budget & Management Analyst,
Budget Bureau

Attachments (1):

Exhibit A of Resolution: Fiscal Year 2023-24 Final Engineer's Report for the LLAD