

CITY OF OAKLAND

AGENDA REPORT

OFFICE OF THE CITY CLERK

2007 MAR 13 AM 9:06

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Public Works Agency
DATE: March 13, 2007

RE: **Supplemental Report and Resolution Adopting Policy Recommendations for the City of Oakland to Manage Landscaping and Lighting Assessment District (LLAD) Funded Activities and New Improvements by Private Developers without a LLAD Increase, to Include Consideration of a Phased Reduction of Current Exemptions for Private Schools, Churches, Hospitals and Agricultural Parcels**

SUMMARY

On November 28, 2006, staff presented an agenda report to the Finance and Management Committee with a proposed resolution to adopt six policy recommendations for the City of Oakland to manage Landscaping and Lighting Assessment District (LLAD) funded activities without a LLAD increase.

On February 13, 2007, staff presented a supplemental report responding to questions raised at the November 28, 2006 Committee meeting.

Three of the six proposed policies were accepted by the committee as presented in the supplemental report and resolution:

That changes to agreements with other public agencies, including "maintenance trades" between the City and other public agencies, be explored and the results and recommendations be presented to the City Council as reviews are complete.

That mechanisms including, but not limited to, developer mitigation, Community Facilities Districts, project specific Landscape and Lighting Assessment Districts, Business Improvement Districts, Homeowners' Associations, Development Impact Fees, and endowments be used, through formal conditions of approval, to offset the on-going cost of maintenance of new improvements by private developers on City property, or property that will be dedicated to the City, such as, but not limited to, parks, ball fields, open spaces, street trees and streetlights.

That landscape designers be directed to design for low maintenance as well as aesthetics when designing City and Redevelopment sponsored Capital Improvement Projects as well as other agency and outside developer contracts, and that a substantial and sustainable method of watering be included for landscaped areas.

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A fourth policy was redrafted during the Committee meeting and accepted as well:

That new improvements by private developers on City property, or property that will be dedicated to the City, will have a mechanism in place to fund maintenance needs before the improvements are constructed as a part of the conditions and requirements of the project.

Plant Establishment Period

The Committee requested additional time to review and discuss the fifth policy (see below) dealing with Plant Establishment Periods (PEPs).

At the February 13, 2007 meeting the Committee asked for a City Attorney opinion concerning the use of Pay Go funds for PEPs. The opinion should be provided to the Committee before the March 13, 2007 meeting.

That on a project-by-project basis, balancing the need for plant establishment periods, funding source limitations and availability of funds, City, Redevelopment Agency and outside agency Capital Improvement Projects subject to City approval include the longest possible plant establishment periods up to a three years maximum for all landscaped areas.

LLAD Exemptions

The sixth proposed policy deals with current exemptions from the LLAD for private schools, churches, hospitals and agricultural parcels. Since 1991 the City has subsidized the exemptions. There should be no legal constraints to reducing the exemptions. The Committee wanted to look at a five or ten year phased reduction of the exemptions and asked staff to provide the number of institutions within the church, hospital and private school categories and the average amount of their exemptions. There are two agricultural parcels in Oakland with a total agricultural exemption of approximately \$100. The table below shows the average amount that would be paid if the properties were assessed in one year or over five or ten years.

| | Churches | Hospitals | Schools | Total |
|--------------------------------|----------|-----------|---------|----------------|
| Number of parcels | 485 | 50 | 121 | 656 |
| Average exemption | \$682 | \$1425 | \$2594 | \$713,000 |
| “ Per year increase – 5 years | \$136 | \$285 | \$519 | \$142,600/year |
| “ Per year increase – 10 years | \$68 | \$143 | \$259 | \$71,300/year |

The proposed policy below has been revised to reflect the Committee's interest in a phased reduction of the exemptions:

That the FY 2007-08 Landscaping and Lighting Assessment District adoption process include a review a phased reduction of the current exemptions for private schools, churches, hospitals and agricultural parcels for subsidy reduction or elimination, with the current low-income exemption remaining in place.

ACTION REQUESTED OF THE CITY COUNCIL

It is recommended that the City Council adopt the attached Resolution.

Respectfully submitted,

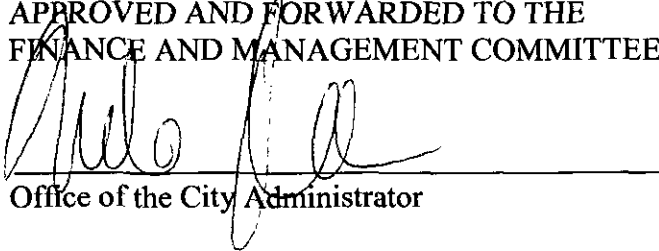


Raul Godinez II
Director, Public Works Agency

Reviewed by:
Brooke A Levin
Assistant Director, Public Works Agency

Prepared by:
Jocelyn Combs
Special Assistant, Public Works Agency

**APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:**


Office of the City Administrator

OFFICE

CLERK

OAKLAND CITY COUNCIL


City Attorney

2007 MAY 21 9:06

RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION ADOPTING POLICY RECOMMENDATIONS FOR THE CITY OF OAKLAND TO MANAGE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT (LLAD) FUNDED ACTIVITIES AND NEW IMPROVEMENTS BY PRIVATE DEVELOPERS WITHOUT A LLAD INCREASE, TO INCLUDE CONSIDERATION OF A PHASED REDUCTION OF CURRENT EXEMPTIONS FOR PRIVATE SCHOOLS, CHURCHES, HOSPITALS AND AGRICULTURAL PARCELS

WHEREAS, the current 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 current City of Oakland Landscaping and Lighting Assessment District (LLAD) was reaffirmed in 1993 under the authority of Articles XIII C and D of the California Constitution, known as Proposition 218; and

WHEREAS, the City of Oakland's existing LLAD faces a structural shortfall due to its fixed revenue stream that does not keep up with the increasing costs to provide landscaping and lighting services; and

WHEREAS, in order to continue providing the existing landscaping and lighting services, as well as to expand these services to cover any new landscaping and lighting, the City requires new funding sources; now therefore be it

RESOLVED: That new improvements by private developers on City property, or property that will be dedicated to the City, will have a mechanism in place to fund maintenance as a part of the conditions and requirements of the project; and be it

FURTHER RESOLVED: That mechanisms including, but not limited to, developer mitigation, Community Facilities Districts, project specific Landscape and Lighting Assessment Districts, Business Improvement Districts, Homeowners' Associations, Development Impact Fees, and endowments be used, through formal conditions of approval, to offset the on-going cost of maintenance of new improvements by private developers on City property, or property that will be dedicated to the City, such as, but not limited to, parks, ball fields, open spaces, street trees and streetlights; and be it

FURTHER RESOLVED: That changes to agreements with other public agencies, including “maintenance trades” between the City and other public agencies, be explored and the results and recommendations be presented to the City Council as reviews are complete; and be it

FURTHER RESOLVED: That on a project - by - project basis, balancing the need for plant establishment periods, funding source limitations and availability of funds, City, Redevelopment Agency and outside agency Capital Improvement Projects subject to City approval include the longest possible plant establishment periods up to a three year maximum for all landscaped areas; and be it

FURTHER RESOLVED: That landscape designers be directed to design for low maintenance as well as aesthetics when designing City and Redevelopment sponsored Capital Improvement Projects as well as other agency and outside developer contracts, and that a substantial and sustainable method of watering be included for landscaped areas; and be it

FURTHER RESOLVED: That the FY 2007-08 Landscaping and Lighting Assessment District adoption process include a phased reduction of the current exemptions for private schools, churches, hospitals and agricultural parcels, with the current low-income exemption remaining in place.

IN COUNCIL, OAKLAND, CALIFORNIA _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, REID, QUAN, and PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California