



# AGENDA REPORT

**TO:** Steven Falk  
Interim City Administrator

**FROM:** Adam Benson  
Director of Finance

**SUBJECT:** FY 2020-21 Landscaping and Lighting  
District (LLAD) – Initiation & Intention

**DATE:** April 6, 2020

City Administrator Approval

Date:

4-9-2020

## 020 RECOMMENDATION

**Staff Recommends that the City Council Adopt a Resolution 1) Initiating The Fiscal Year (FY) 2020-21 Assessment Process For The City Of Oakland Landscaping And Lighting Assessment District; 2) Approving The City Of Oakland Landscaping And Lighting Assessment District FY 2020-2021 Preliminary Engineer's Report; 3) Declaring The Intention To Levy And Collect The Annual Landscaping And Lighting Assessment District Assessment For FY 2020-2021; And 4) Setting June 2, 2020 At 6:30 P.M. As The Date And Time For A Public Hearing**

### EXECUTIVE SUMMARY

This report and resolution will:

- Initiate the Fiscal Year (FY) 2020-21 assessment process of the Landscaping and Lighting Assessment District (LLAD) for inclusion in the FY 2020-21 property tax roll;
- Accept the LLAD Preliminary Engineer's Report, attached hereto as Exhibit A, which sets forth the LLAD findings and engineering analyses;
- Declare the City Council's intention to levy and collect assessments within the LLAD for FY 2020-21; and
- Set June 2, 2020 at 6:30 p.m. as the date and time of the Public Hearing in order for the City Council to hear and pass upon said reports, together with all objections and protests by property owners liable to be assessed, and take final action regarding the levying of the proposed FY 2020-2021 assessments for the District.

Detailed assessment data for all affected properties are due to the Alameda County Auditor-Controller by August 10, 2020.

### 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

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other things as noted below. The City of Oakland (City) 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 resolution 1) initiating the process to levy the annual LLAD assessments, 2) approving the Preliminary Engineer's Report, 3) declaring the intention to levy the annual assessments, and 4) setting the date of the public hearing to take final action on the levying of the annual assessments.

## **ANALYSIS AND POLICY ALTERNATIVES**

### *Landscaping and Lighting Assessment District 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 134 park and recreation facilities, 44 stand-alone restrooms, and many other recreation-related buildings and infrastructure within 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 2019-20 Engineer's Report approved by the City Council, pursuant to Resolution No. 87703 C.M.S., on May 21, 2019.

### *Annual LLAD Process and Timeline*

In compliance with the California Streets and Highways Code, Sections 22622 through 22624 the proposed resolution initiates the annual assessment process of the LLAD for the FY 2020-21 property tax roll, accepts the Preliminary Engineer's Report, declares the intention to levy and collect assessments within the LLAD for FY 2020-21, and sets the date and time for the public hearing for the City Council to take final action regarding the FY 2020-2021 assessments.

The City of Oakland collects the LLAD assessment through the County of Alameda property tax bill. Upon fulfillment of the LLAD requirements, the City must submit the detailed assessment data for all affected properties to the Alameda County Auditor-Controller Agency for inclusion in the FY 2020-21 property tax roll by August 10, 2020.

### *Assessment*

The proposed resolution states that the City Council does not intend to increase assessments for the FY 2020-21 LLAD. The current assessment rate structure has been in place since FY 1993-94. The following **Table 1**, taken directly from the Preliminary 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 Preliminary Engineer's Report (**Exhibit A**).

### **Table 1: Assessments Summary**

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Table 5: ASSESSMENT REVENUE BY IMPROVEMENT TYPE AND BENEFIT ZONE						
DESCRIPTION	Zone 1 Budget		Zone 2 Budget		Zone 3	Total All Zones
	Residential	Non Residential	Residential	Non Residential	Residential	
Lighting	\$1,123,838	\$659,720	\$397,371	\$138,677	\$185,773	\$2,505,379
Landscaping	\$8,593,999	\$2,385,141	\$3,299,275	\$544,626	\$866,072	\$15,689,114
Total Estimated Assessments	\$9,717,837	\$3,044,861	\$3,696,647	\$683,303	\$1,051,845	\$18,194,493

One attachment to the Preliminary Engineer’s Report, not included here due to its large file size, is **Appendix A**, the FY 2020-21 Assessment Roll, a document that lists all properties within the assessment district by Assessor’s Parcel Number and identifies each property’s assessment amount. The FY 2020-21 Preliminary Assessment Roll is on file with the City Clerk.

**FISCAL IMPACT**

*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 Fund and no additional funding is requested.

This report describes the City’s intention to initiate the annual LLAD assessment process in order to levy the tax for the upcoming fiscal year. It should also be noted that the LLAD fund has an anticipated year-end deficit of \$1.36 million in FY 2019-20. The LLAD has steadily improved its historical negative fund balance. However, 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 net positive LLAD fund balance. The passage of Measure Q in March of 2020 provides additional resources for LLAD related services.

**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. Staff proposes that the date of the public hearing be set for Tuesday, June 2, 2020 at 6:30 p.m., or as soon thereafter as the item may be heard, in the City Council Chambers.

**COORDINATION**

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

**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.

***Race and 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.

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**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends that the City Council Adopt a Resolution 1) Initiating The Fiscal Year (FY) 2020-21 Assessment Process For The City Of Oakland Landscaping And Lighting Assessment District; 2) Approving The City Of Oakland Landscaping And Lighting Assessment District FY 2020-2021 Preliminary Engineer's Report; 3) Declaring The Intention To Levy And Collect The Annual Landscaping And Lighting Assessment District Assessment For FY 2020-2021; And 4) Setting June 2, 2020 At 6:30 P.M. As The Date And Time For A Public Hearing

For questions regarding this report, please contact Brittany Hines at (510) 238-7078.

Respectfully submitted,



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Adam Benson  
Finance Director

**Attachments (1):**

***Exhibit A of Resolution:*** FY 2020-21 Preliminary Engineer's Report for the LLAD