



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Adam Benson
Finance Director

SUBJECT: FY 2020-21 Landscaping and Lighting
District (LLAD) – Confirmation

DATE: June 8, 2020

City Administrator Approval

Date: June 10, 2020

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Confirming The City of Oakland Landscaping and Lighting Assessment District Fiscal Year (FY) 2020-21 Engineer's Report And The Levying Of Assessments.

EXECUTIVE SUMMARY

Upon completion of the public hearing on June 16, 2020, 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 2020-21. 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, 2020 for inclusion in the Fiscal Year 2020-21 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 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 (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. The City Council approved and adopted the LLAD Initiation and Intention Resolution on June 2, 2020.

City Council
June 16, 2020

ANALYSIS AND POLICY ALTERNATIVES

The information below was also shared in the staff report accompanying the Initiation and Intention resolution adopted by City Council on June 2, 2020. It is included here again 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 134 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 2019-20 Engineer's Report approved by the City Council, Resolution No. 87703 C.M.S., on May 21, 2019.

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 Fiscal Year 2020-21 property tax roll in June 2020. The resolution described the importance of initiating the LLAD and 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 apply to all assessments levied and collected for a fiscal year, within an existing assessment district. The code 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 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.
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.
3. Conduct the public hearing affording all interested parties the opportunity to hear and be heard. The public hearing is scheduled to occur at 1:30 p.m. on June 16, 2020.
4. Adopt a resolution confirming the final 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 for inclusion in the FY 2020-21 property tax roll by August 10, 2020.

Assessment

On June 2, 2020, City Council adopted a resolution that states that the City 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 Final Engineer’s Report, summarizes the assessment revenue by benefit zone and general land use. Zones, zone maps, and rates calculations are included in the attached Engineer’s Report (**Exhibit A**).

Table 1: Assessments Summary

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	Non 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

The attachment to the Final Engineer’s Report is the FY 2020-21 Final Assessment Roll, 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 describes the City’s intention to confirm the continuation of the City’s annual LLAD assessment process in order to levy the tax for the upcoming fiscal year. It should 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. The public hearing is set for Tuesday, June 16, 2020 at 1:30 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, and Francisco & Associates, Inc. (the City's Contractor who 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.

Edward D. Reiskin, City Administrator

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ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Confirming The City of Oakland Landscaping and Lighting Assessment District Fiscal Year (FY) 2020-21 Engineer's Report And The Levying Of Assessments.

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

Respectfully submitted,



ADAM BENSON
Director of Finance

Prepared by:
Brittany Hines, Assistant Budget and
Management Analyst

Attachments (1):

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