

REPORT TO THE CITY COUNCIL



DATE: April 4, 2017

TITLE: Resolution of Intention to Annex 259 Assessable Parcels Encompassing the Rancho del Oro Residential Community Shown on the Assessment Diagram and Described in Exhibit A to the City of Desert Hot Springs Landscape and Lighting Maintenance District No. 2

Prepared by: Daniel Porras, P.E., Acting Community Development Director

RECOMMENDATION

Adopt a Resolution of Intention to Annex property to Landscape and Lighting Maintenance District No. 2 (Annexation No. 18, Zone 19) and to levy assessments on such property for Fiscal Year 2017-18 and setting the time and place of a public hearing on the proposed annexation and assessments.

BACKGROUND

In 2004, the City Council formed the Landscape and Lighting Maintenance District No. 2 ("the District") to collect annual assessments from properties throughout portions of the City to provide a funding mechanism for the installation, maintenance and servicing of landscaping. The District is currently comprised of 18 zones, throughout the City and the improvements being provided within may include but are not limited to: ground cover, shrubs, plants and trees, irrigation systems, landscape lighting, street lighting, graffiti removal, sidewalks and masonry walls, entry monuments, tot lot equipment and associated appurtenant facilities. Services provided include all necessary service, operations, administration and maintenance required to keep the above mentioned improvements in a healthy, vigorous and satisfactory working condition.

The Rancho Del Oro residential subdivision is located on the north side of Mission Lakes Blvd. between Sonora Drive and West Drive, just south of Avenida Jalisco. The subdivision tracts were developed and recorded in 1992 and 1993. 259 single family homes were completed and the majority of the perimeter landscaping was installed. However, no provisions were made to maintain any of the perimeter landscape improvements and no assessment district was established or formed. The typical process is for the property owners in each subdivision to form a Landscape Maintenance District in which the cost of maintaining the landscaping is funded through an assessment that is paid for by the corresponding benefitting lots.

Initially the developer was maintaining the perimeter landscaping, but some time ago the developer stopped. In the interest of keeping the landscaping alive and viable, the City has been maintaining. With the various financial struggles the City has been through (including multiple staff reductions) and with no funding mechanism initially established for the ongoing maintenance, the maintenance efforts were recently reduced to only the minimal as needed maintenance and emergency repairs.

Throughout the last few years, City Staff worked with the Rancho Del Oro residents in an effort to establish a permanent solution to fund the landscape maintenance. In the process, the City has hosted multiple community meetings in which all Rancho Del Oro residents were invited to attend and discuss the history and the available options. The City hosted community meetings on August, 19, 2015, June 15, 2016, and September 28, 2016. During these meetings, various landscape options with various plant palettes along with estimated associated maintenance

costs were presented to the Rancho Del Oro residents by City Staff. On October 18, 2016 City staff presented the outcome of these meetings to City Council, based on their comments.

On October 18, 2016, City Council authorized the City Manager to enter into an agreement with Albert A. Webb and Associates to begin the process of Annexation of the Rancho Del Oro subdivision lots into Landscape Maintenance District Number 2, based on the results of the various Rancho Del Oro Community Meetings.

The City now desires to annex the additional property located on the north side of Mission Lakes Blvd. between West Drive and Sonora Drive, on both sides of Cholla Drive extending approximately 305 feet north of Mission Lakes Blvd., on the east side of Sonora Drive between Mission Lakes Blvd and Avenida Dorado, and on the south side of Avenida Barona between West Drive and Del Ray Lane. This development is commonly referred to as Rancho Del Oro, Tract Map No. 23866.

DISCUSSION

Staff Recommends that the City Council adopt a Resolution of Intention preliminarily approving the Annexation No.18, Zone 19 Engineer's Report and setting the time and place of a Public Hearing on the proposed annexation. The Rancho Del Oro subdivision was not included in the original District boundaries. The Rancho Del Oro subdivision consists of 259 single family residential lots, all individually owned, with the exception of the open space lots. The Landscaping and Lighting Act of 1972 ("Act") allows areas to be annexed into an existing District if and when the areas to be annexed receive substantially the same degree of benefit from the improvements that the other District properties receive. Albert A. Webb Associates was retained to prepare the Annexation Engineer's Report that (1) indicated how the annexed property benefits from the existing District improvements, (2) provides an estimate of the total costs to the annexed Property Owners and the method of apportioning these costs to the 259 individual lots, and (3) provides a diagram of the area to be annexed into the District. In summary, the maximum assessment for each of the lots in the annexed area will not exceed \$274.02 for Fiscal Year 2017-18 and is subject to an increase for each such fiscal year, commencing with Fiscal Year 2018-19, based on the percentage increase, if any, in the Consumer Price Index, All Items, Los Angeles-Riverside-Orange County, California (1982-84=100) since the beginning preceding fiscal year, or by two percent (2.0%), whichever is greater.

Based on the requirements of the California State Constitution Article XIIC and XIID and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 and following) a property owner ballot protest procedure will be required in order to annex property into the District and to levy an assessment on the annexed property. Following the adoption of the Resolution of Intention by the City Council, ballots will be mailed to each property owner located within the annexed property so they can indicate whether they are in favor or opposed to the maximum assessment rates as described in this report. The City and the City's Assessment Engineer, Albert A. Webb Associates, will hold two property owners outreach meetings on April 24, 2017 and May 24, 2017 at 6:00pm located in the Carl May Community Center. The City will then hold a Public Hearing on the matter of annexing in the property and assessing a levy on the Annexed Property and all property owner ballots to be counted must be returned prior to the close of the Public Hearing scheduled for June 6, 2017 at 6:00pm. Following the conclusion of the Public Hearing, the ballots will be tallied. If there is not a majority protest and the ballot procedure is successful, the City Council will confirm the Final Fiscal Year 2017-18 Annexation 18, Zone 19 Engineer's Report and order the levy and collection of assessments starting in Fiscal Year 2017-18.

FISCAL IMPACT

Currently, the costs of maintaining the Rancho Del Oro landscaping and maintenance costs are being provided by the City of Desert Hot Springs. If approved, the annexation property will

generate approximately \$70,970.00 for the first year to help offset the costs of maintaining and servicing the improvements in the existing Rancho Del Oro areas.

EXHIBIT(S)

- 1) Resolution of Intention Including Description of Parcels to be Included in Annexation No. 18, Zone 19
- 2) City Council Members Recusal Map of the Rancho Del Oro Area