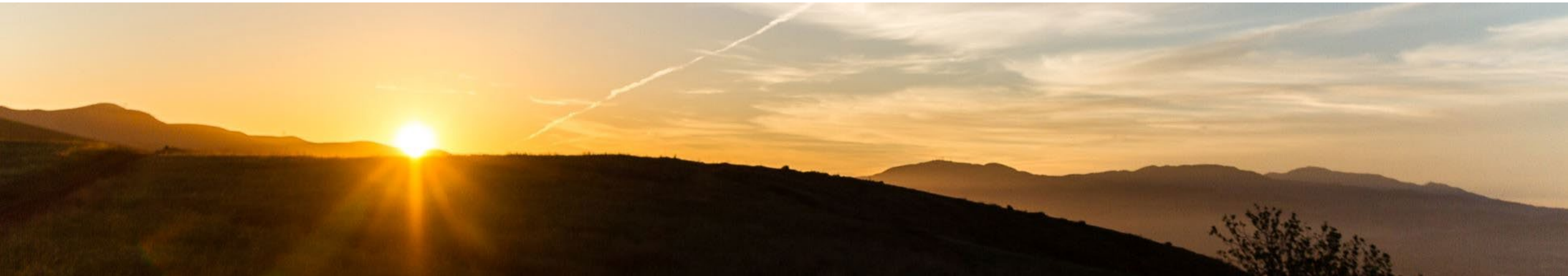


# Local Landscaping Zone L-2E

February 19<sup>th</sup>, 2020  
Yorba Linda City Hall – Council Chambers



# WELCOME

**If you have not signed in, please feel free to do so in order to receive future communications.**

# Presenters & Staff Attendees:

## City of Yorba Linda

- ❖ Jamie Lai- Director of Public Works/City Engineer
- ❖ Jesse Gutierrez- Assessment District Manager
- ❖ Scott Catlett- Finance Director
- ❖ Colleen Callahan- Project Manager
- ❖ Monse Garcia Del Rio- Admin Assistant to the Director of Public Works

## Willdan Financial Services

- ❖ Jim McGuire- Principal Consultant

# Agenda:

- History of Landscape Maintenance Assessment Districts
- Local Landscape L-2E Zone Background
- Information on the upcoming Prop 218 Ballot (rates, historical data, ballot process)
- Potential Outcomes
- FAQ's

***\*\*This presentation is provided for informational purposes only. The City of Yorba Linda does not advocate a yes or no vote.***

# History of the LMAD in Yorba Linda

During the late 1970s and early 80s, developers requested the formation of Landscape Maintenance Assessment Districts (LMADs) to fund maintenance of common-area and tract perimeter landscapes since homeowners associations (HOAs) were not as common at that time. Into the late 80s and 90s, HOAs became a more widely-used tool for maintenance of these facilities in communities.

# Timeline

- 1979** Five (5) Assessment Districts were formed
- 1994** The five (5) Assessment Districts were consolidated into one (1) District, forming the **Street Lighting and Landscaping Maintenance District** or LMAD.
- 1996** Proposition 218 was enacted into California State law, requiring voter approval before increasing assessments.
- 2012 - 2019** The LMAD was split into twelve (12) Zones and eventually into the forty-eight (48) Zones that we have today.
- City Council passed Resolution #2015-5296 to eliminate the use of City General Funds to subsidize.

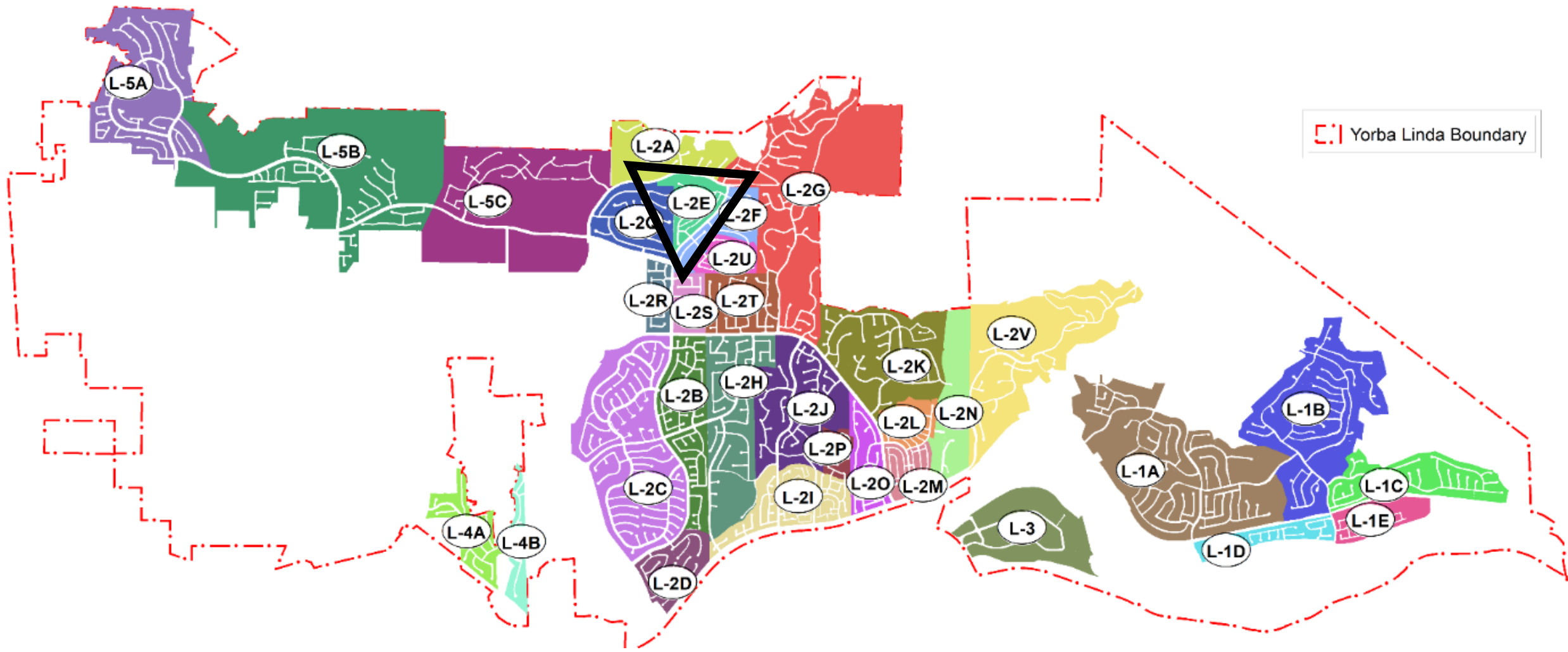
# What is the LMAD?

The 'LMAD' or Landscape Maintenance Assessment District, consists of five (5) overall zone classifications:

- **Local Landscape Zones**
- Arterial Landscape Zones
- Arterial Lighting Zones
- Local Lighting Zones
- Traffic Signal Zones

The improvements maintained in these Zones are funded in part by the LMAD annual assessments which are collected as a part of your property tax bills.

# Current Local Landscape Zones





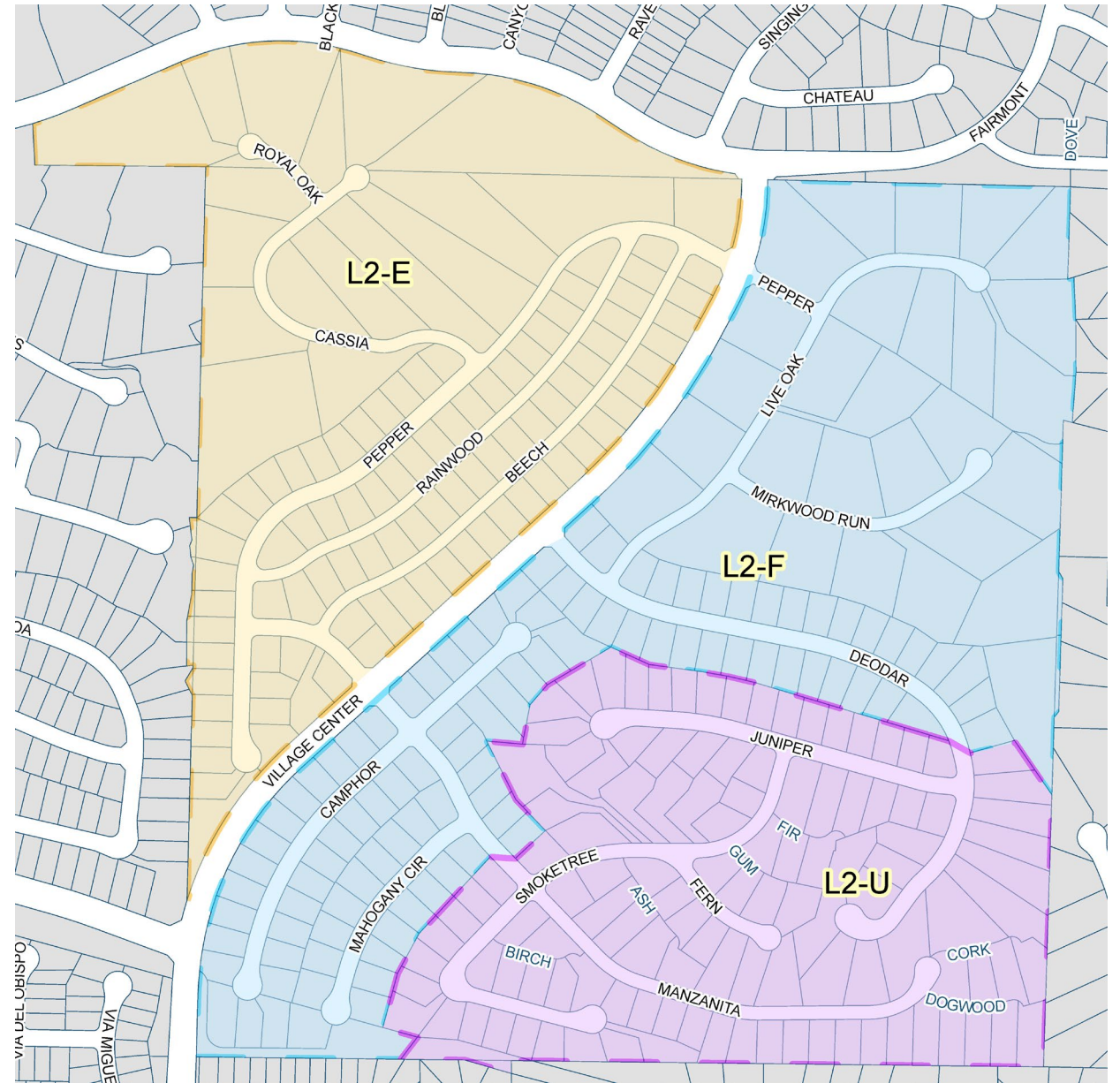
# History of the Zone: L-2E

- Fiscal Year 2012/2013 - Local Landscape Zone L2 was re-engineered to establish sixteen (16) new Local Landscape Zones (L-2A through L-2P) to more accurately identify the local landscape improvements associated with the properties.
- Fiscal Year 2016/2017 - L-2E (prior to current split, inclusive of what is now Zone L-2U and L-2F) went to ballot to increase its assessments, due to being underfunded, however the vote failed with an 82.9% of No votes, thus a reduction in service and maintenance was implemented in order to stay within the approved budget.
- Currently in Fiscal Year 2020/2021 - L-2E will be circulating a petition to go to ballot again because the Zone continues to be underfunded.

# Shared Improvements: L-2E, L-2F and L-2U

Local Landscape Zone L-2E shares maintenance and improvement areas with Zones L-2F and L-2U.

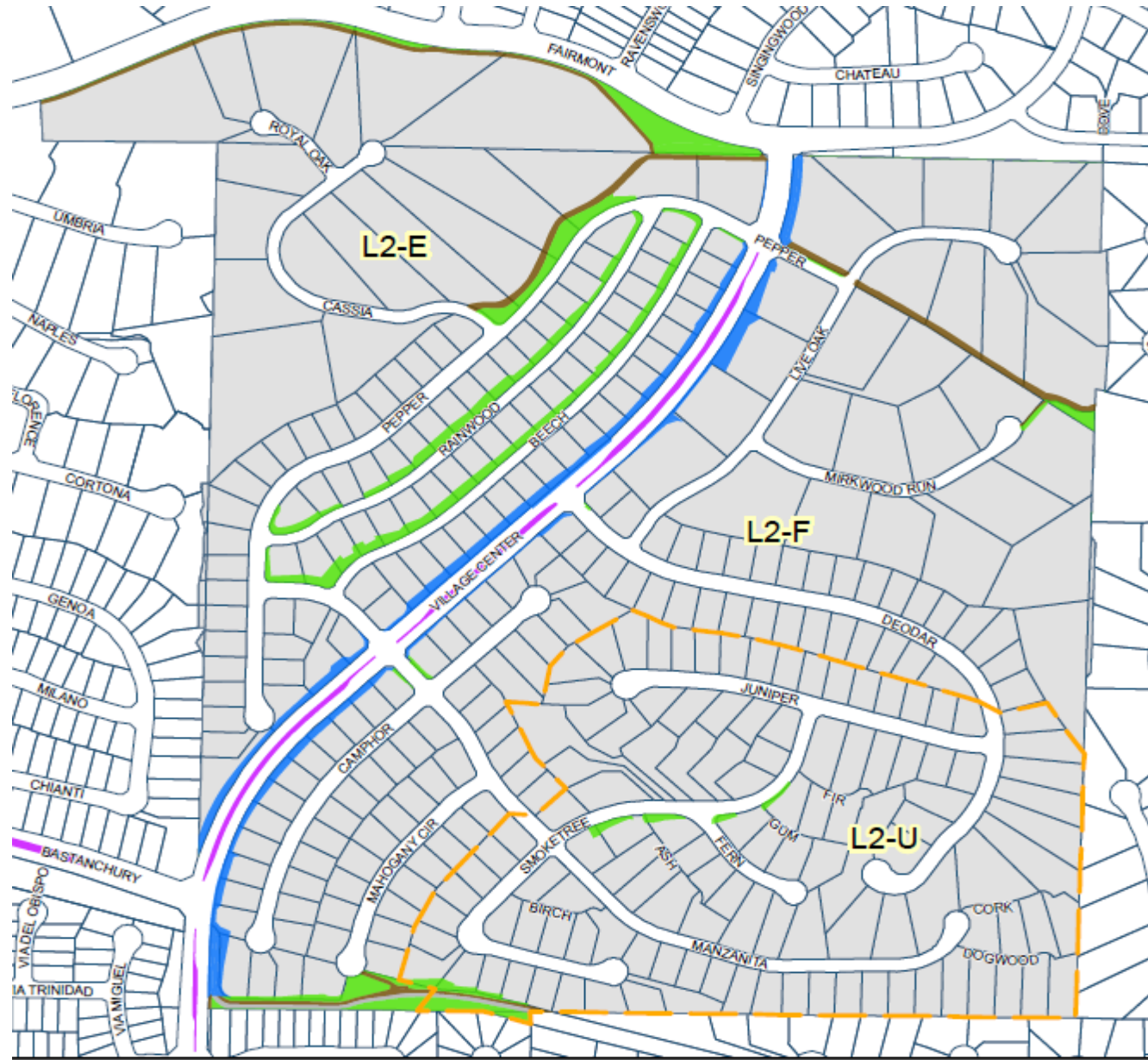
Previously, part of one zone, these zones were split to more accurately identify the local landscape improvements associated within each of the original tract maps and more so to better address the unique landscape characteristics of each area.



# Shared Improvements: L-2E, L-2F and L-2U

Though the zones split, there are still “shared improvements” because these zones continue to enjoy shared benefit of these specific landscaped areas shown in blue. These shared improvements, include irrigated slope and parkway landscaped areas on Village Center Drive located on the East and West side of Village Center Drive. The median landscape areas shown in purple are maintained by Arterial Zone A-5.





- L2-E Local Improvements
  - Maintained
  - Equestrian Trail
  - Walkway
- Shared Improvements
  - L2-EFU
- A-5 Arterial Improvements
  - Median





# Local Landscape Zone – L2E

Existing Maintained Areas

-  Parkway / Greenbelt / Slope
-  Median (Arterial Zone A-5)
-  Trail / Walkway
-  Shared Improvements L-2(E-U-F)



# Why is my zone petitioning for a Prop 218 ballot?

Local Landscape Zone L-2E, is underfunded. Expenditures to maintain the landscape at current levels exceeds the revenue generated by assessments. This is due to an increase of pass-through costs associated with:

- Utilities (*i.e. water rates*)
- State Mandated Minimum Wage (*\$15/hr. by 2023*)
- Maintenance Contract (*low bid requirement*)
- Tree Maintenance Contract (*low bid requirement*)

The City sent letters to property owners asking if they would like to circulate a petition to go to a Prop 218 ballot to vote, as the zone is trending to be underfunded.

**City staff has received a positive response to begin the petition process.**

# Equivalent Benefit Units

Every parcel within the District is assigned a land use classification based on available parcel information obtained from the County Assessor's Office. It has been determined that a parcel use and size are the appropriate factors necessary to identify and calculate the proportional special benefits conveyed to each property within the District for the cost of improvements associated with that property. For this District, each parcel is assigned one of the following land use classifications:

Land Use	Equivalent Benefit Unit Formula	
Residential Single-Family	1.000	EBU per Unit
Residential Multi-Family	0.800	EBU per Unit
Mobile Home Park	0.500	EBU per Unit/Space
Non-Residential Developed	3.000	EBU per Acre
Public School	1.500	EBU per Acre
Park	0.750	EBU per Acre (Maximum of 5 Acres)
Golf Course	1.500	EBU per Acre (Maximum of 5 Acres)
Vacant/Undeveloped	0.750	EBU per Acre (Maximum of 5 Acres)
Special Case	1.250	EBU per Adjusted Acreage
Exempt	0.000	EBU per Acre

## Zone L-2E Equivalent Benefit Unit Breakdown:

Land Use	Parcels	Assessed Parcels	Units	Actual Acreage	Applied Acreage	EBUs
Residential Single-Family	105	105	105	-	-	105.0000
Vacant/Undeveloped	2	2	-	2.958	2.957	2.2178
<b>Totals</b>	<b>107</b>	<b>107</b>	<b>105</b>	<b>2.958</b>	<b>2.957</b>	<b>107.2178</b>

Number of L-2E Equivalent Benefit Units = **107.2178**



# How does this translate into Your Property Tax Bill?

## ASSESSED VALUES & EXEMPTIONS AS OF JANUARY 1, 2019

DESCRIPTION	FULL VALUE	COMPUTED TAX
LAND	216,378	
IMPROVEMENTS - BUILDING	302,216	
<b>TOTAL VALUES:</b>	<b>518,594</b>	<b>6,388.14</b>
<b>TOTAL NET TAXABLE VALUE:</b>	<b>518,594</b>	<b>6,388.14</b>

OWNER OF RECORD AS OF 12:01 AM, JANUARY 1, 2019

ASSESSEE NAME AND ADDRESS ARE NOT AVAILABLE ONLINE PER CA GOV CODE §6254.21

## CORTAC

PARCEL NO. (APN)	TAX RATE AREA	1st Installment DUE 11/1/19	2nd Installment DUE 2/1/20	TO PAY BOTH INSTALLMENTS BY 12/10/19
	25-024	\$3,194.07	+	\$3,194.07 = \$6,388.14

## IMPORTANT INFORMATION

### INFORMATION COPY

YOUR MORTGAGE LENDER HAS REQUESTED THIS INFORMATION FOR PAYMENT OF TAXES ON YOUR BEHALF

## VOTER APPROVED TAXES AND SPECIAL ASSESSMENTS

SERVICE AGENCY	RATE	VALUE	TAXES
BASIC LEVY RATE	1.00000	518,594	5,185.94
PLAC-YORBA LINDA UNIFIED	.04848	518,594	251.40
NORTH OC COMM COLLEGE	.02409	518,594	124.93
METRO WATER D-MWDOC	.00350	518,594	18.15
<b>SPECIAL ASSESSMENT CHARGES</b>			
MOSQ. FIRE ANT ASSMT		PHONE NO. (800)273-5167	7.70
VECTOR CONTROL CHG		(800)273-5167	1.92
MWD WATER STDBY CHG		(866)807-6864	10.08
LNDSCP & LTG #1		(866)807-6864	449.02
OCSD SEWER USER FEE		(714)593-7281	339.00
<b>TOTAL CHARGED</b>	<b>1.07607</b>		<b>6,388.14</b>

Zone Categories	2019/20 Charge
Arterial Landscape Zone	\$58.02
Arterial Lighting Zone	1.53
Traffic Signal Zone	6.13
Local Landscape Zone	363.50
Local Lighting Zone	19.84
<b>Total</b>	<b>\$449.02</b>

# Historical Assessment Rates

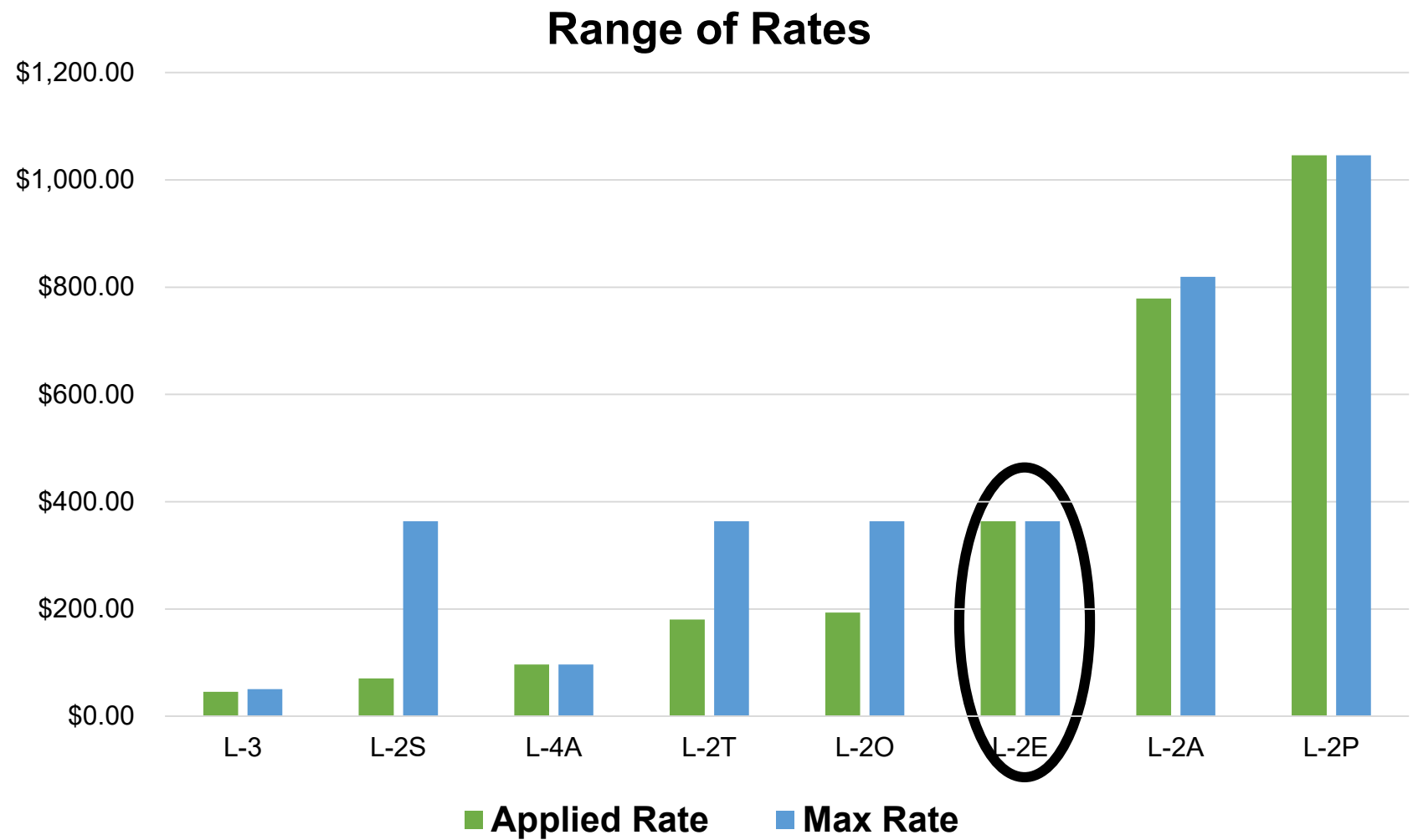
L2E				
Fiscal Year	Rate	Max	\$ Change	% Change
2013/2014	\$323.54	\$323.54		
2014/2015	\$327.09	\$327.09	\$3.55	1.10%
2015/2016	\$331.35	\$331.35	\$4.26	1.30%
2016/2017	\$334.35	\$334.35	\$3.00	0.91%
2017/2018	\$340.67	\$340.67	\$6.32	1.89%
2018/2019	\$350.17	\$350.18	\$9.50	2.79%
2019/2020	\$363.50	\$363.50	\$13.33	3.81%

- The annual assessment shall not exceed the adjusted maximum assessment without a vote.
- The current Local Landscape Zone annual assessment rate is determined by taking the total amount to be assessed (balance to levy) and dividing by the total amount of benefit units within the zone.

$$\text{Your Local Zone Assessment Rate} = \frac{\text{Balance to Levy (Total Assessment)}}{\text{Total Benefit Units within your zone}}$$



# Local Landscape Assessment Rate Ranges



- There are 33 Local Landscape Zones within the LMAD
- The Applied Rates range from \$44.57 to \$1,045.87
- The Max Rates range from \$50.80 to \$1,045.88
- L-2E ranks in the middle among the current Assessment Rates in comparison with other Local Landscape Zone assessments

Applied Rate = \$363.50  
Max Rate = \$363.50



# Historical Financial Data

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Projected
Revenues							
Assessments <sup>1</sup>	71,190	72,125	72,833	35,998	36,597	37,582	38,974
General Fund Required Contribution	6,360	16,017	17,325	10,281	5,142	6,059	6,415
Other Revenues	-	45	216	2,540	29	327	-
<b>Total Revenues</b>	<b>77,550</b>	<b>88,187</b>	<b>90,374</b>	<b>48,819</b>	<b>41,769</b>	<b>43,968</b>	<b>45,389</b>
Expenses							
Base Maintenance Contract	38,657	38,657	35,822	29,774	11,423	12,184	24,080
Water	59,584	40,357	45,001	20,642	22,410	22,377	22,410
Staff and Overhead <sup>2</sup>	21,088	14,632	23,986	15,148	7,913	14,513	14,642
Other Maintenance Services	15,948	10,835	19,013	31,548	20,485	13,058	10,848
Tree Trimming	10,522	12,904	8,742	31,156	8,131	16,098	16,010
Electric	1,258	1,526	1,855	1,748	1,983	1,910	1,983
Other Non-Personnel Costs	362	183	678	3,590	1,465	883	1,029
<b>Total Expenses</b>	<b>147,420</b>	<b>119,094</b>	<b>135,097</b>	<b>133,606</b>	<b>73,810</b>	<b>81,023</b>	<b>91,001</b>
<b>Deficit Subsidized by The City's General Fund</b>	<b>\$ (69,870)</b>	<b>\$ (30,907)</b>	<b>\$ (44,723)</b>	<b>\$ (84,787)</b>	<b>\$ (32,042)</b>	<b>\$ (37,055)</b>	<b>\$ (45,612)</b>

<sup>1</sup> Zone L2-U was split off from Zone L2-E following the prior failed Proposition 218 vote, which is the reason for the reduced assessment revenue.

<sup>2</sup> Includes the City's field and office staff in Public Works who are assigned to the LMAD, as well as overhead charges from the Finance Department, Information Technology Division, City Attorney, and other shared internal services.

# Proposed Annual Inflationary Escalator

A Maximum Assessment Inflationary Escalator is also proposed to minimize the need and expense of reoccurring future Prop 218 Votes

- **Annual Formula = Consumer Price Index (CPI) annual percentage change with an additional 3% (i.e. CPI + 3%)**

# Proposed Preliminary Budget – L2E

Budget Items	2019/2020	2020/2021
Annual Maintenance Expenses	\$82,823	\$61,393.21
Capital Improvement Project & Rehabilitation	11,204	8,309
Annual Incidental Expenses	16,460	13,854
General Benefit Expenses (City Funded)	(6,415)	(6,201)
<b>Total Expenses</b>	<b>\$104,072</b>	<b>\$77,355</b>
<b>Total Funding Adjustments/Contributions*</b>	<b>(65,098)</b>	<b>0</b>
<b>Balance to Levy (Total Assessment)</b>	<b>\$38,974</b>	<b>\$77,355</b>

*Note: Fiscal Year 2020/2021 budget numbers are preliminary and are not final.*

*\*The \$65,098 funding adjustment for Fiscal Year 2019/2020 was primarily covered by Zone Reserves but there is insufficient Zone Reserves to address this shortfall in the future. For Fiscal year 2020/2021, the budget is based on the result of a YES vote.*

# Proposed Annual Maximum Assessment Rate Options

Fiscal Year 2019/2020: **\$363.50**

**\$ 363.50** (current annual assessment)  
**+ \$ 358.50** (proposed annual increase)  

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**\$ 722.00** (proposed max. assessment)





**\$ 358.50 / 12 = \$29.88** per month increase

Current Total = **\$30.29** per month

Proposed Total = **\$60.17** per month

# Local Landscape Zone – L2E

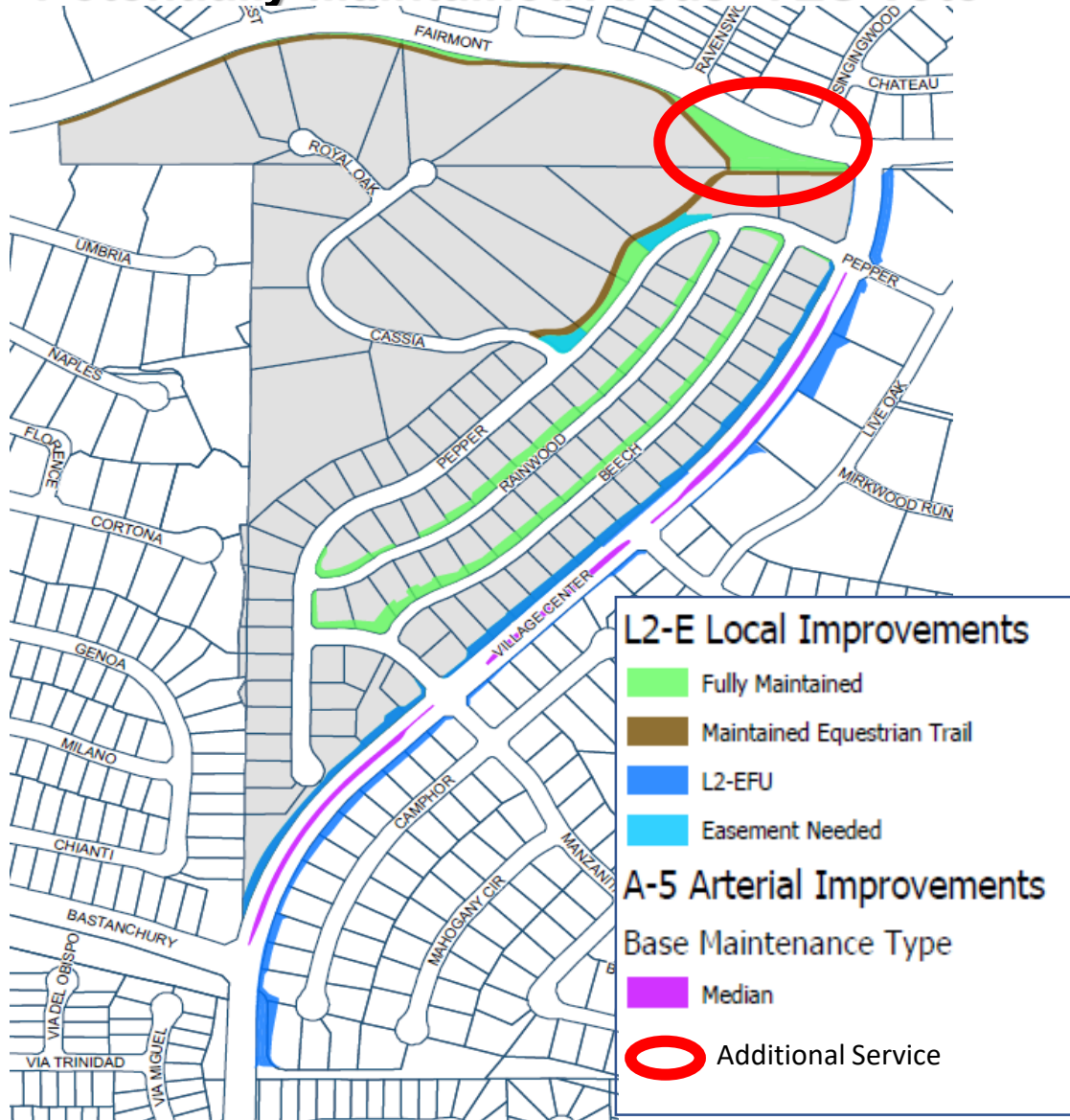
Existing Maintained Areas

-  Parkway / Greenbelt / Slope
-  Median (Arterial Zone A-5)
-  Trail / Walkway
-  Shared Improvements L-2(E-U-F)

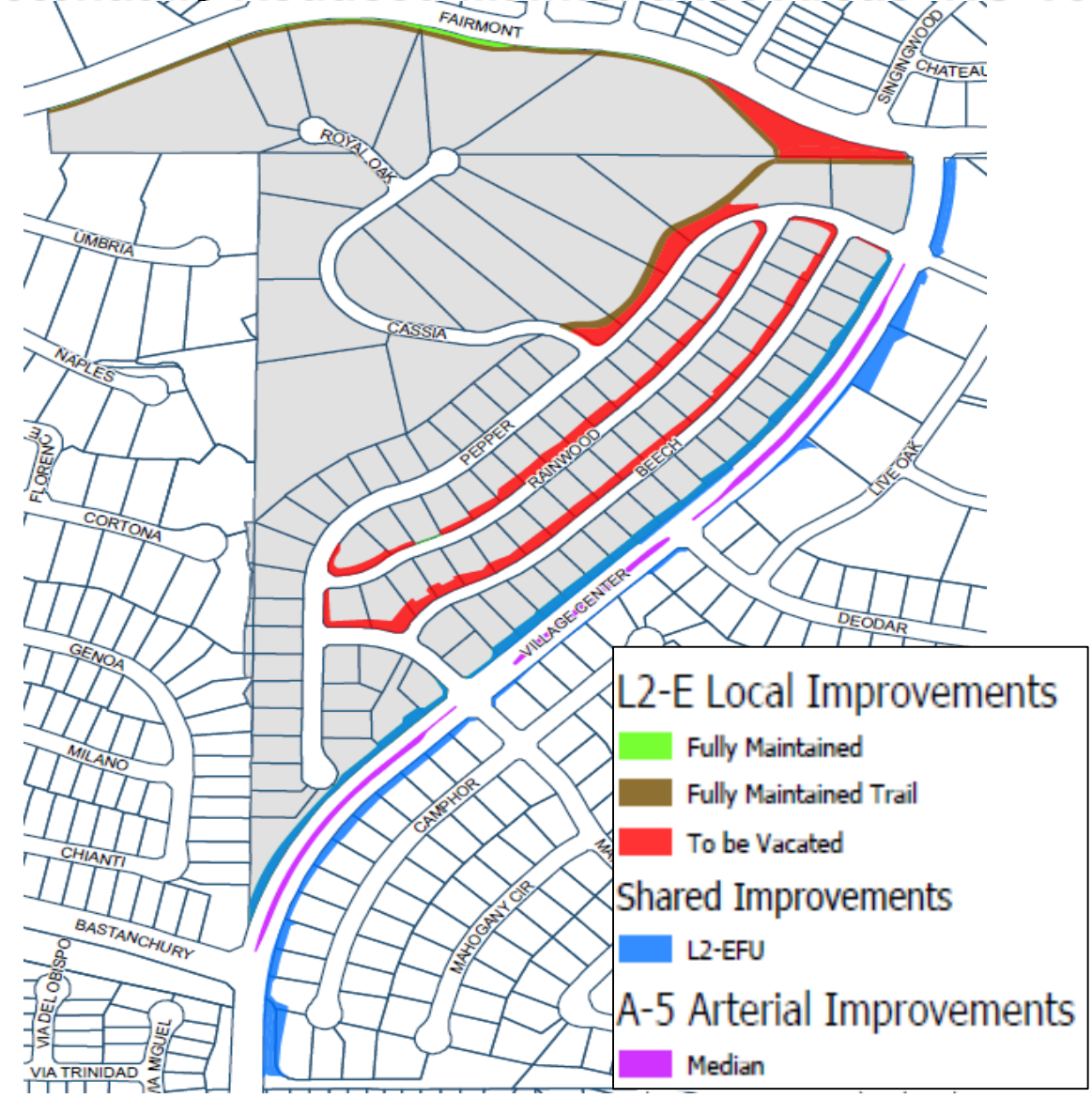




## Potentially Maintained Areas- YES Vote



## Potentially Reduced Maintenance Areas- NO Vote





# Pending Action

If the Prop 218 Vote is unsuccessful or if the City is unable to gain an easement from the property owner(s), for the areas shown in blue, the LMAD will cease maintenance and irrigation of the area and revert maintenance responsibility to property owner(s), which may include the area as a whole (all four underlying property owners) due to location of utility controllers.

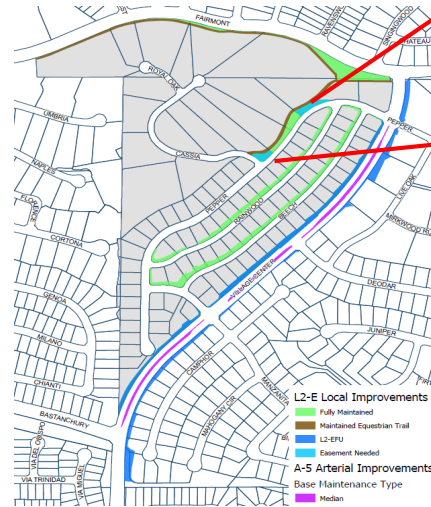
Local

L2-E Local Improvements

Maintained

Equestrian Trail

Easement Needed





# Before & After Photos



Area maintained by LMAD prior to a  
Prop 218 No-Vote



After Prop 218 No-Vote  
Maintenance responsibility reverted to  
property owners.



# Village Center Medians\*

Current view on Village Center



Example of a restored median on Yorba Ranch Rd.



\* Restoration of the Village Center medians will be funded by the General Fund (not Local Zone) since they are already part of the current Median Transition Project.

# Petition Schedule & Next Steps towards a Potential Ballot Process

**Feb. 19:** A community outreach meeting held to inform the public of the upcoming petition process for L-2E. A petition template is to be provided to interested residents to circulate. Over 50% + 1 of homeowners must sign in favor in order to move forward to the Balloting Process. This would equate to at minimum, 53 signatures.

**March 2:** Deadline for submittal of signed petition to City Clerk by 5:30 p.m.

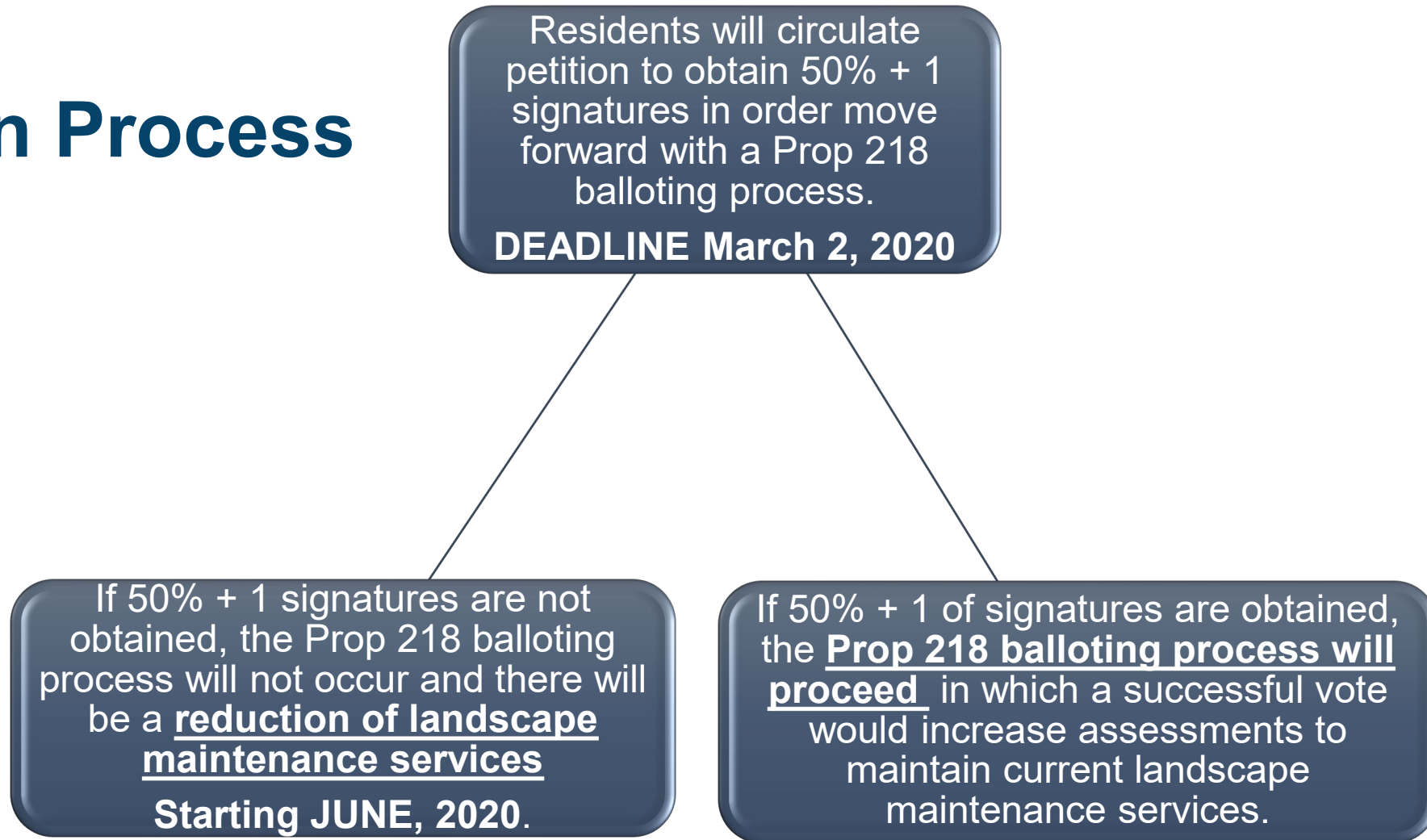
**March 17:** If the petition process is successful, an Intent to Levy will be on the City Council Meeting Agenda.

**April 3:** Deadline for City to mail Prop 218 Ballots out to property owners.

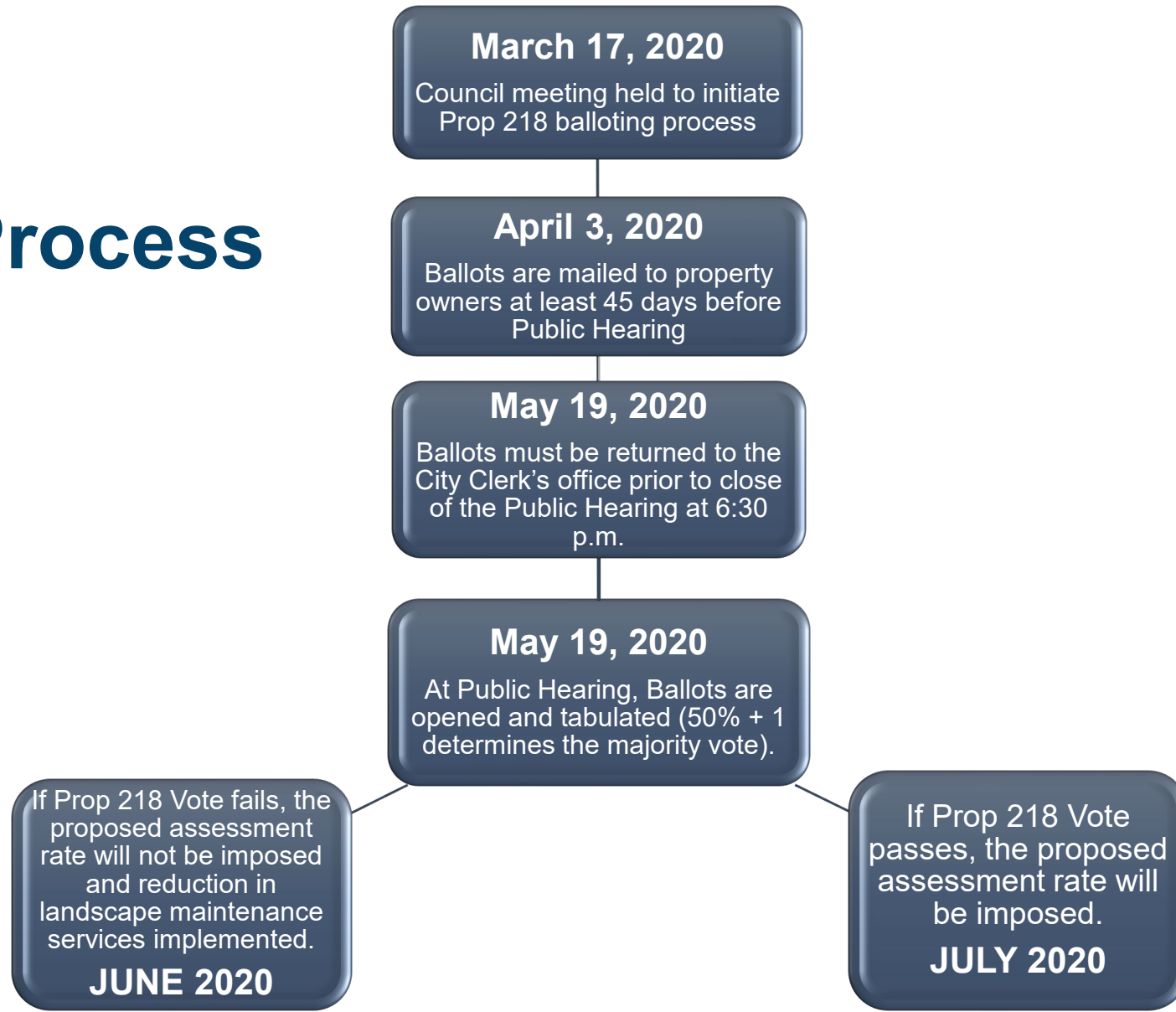
**May 19: City Council Public Hearing and Prop 218 Ballot Tabulation**

**\* All dates are tentative.**

# Petition Process



# Prop 218 Balloting Process (Tentative Dates)



# What happens if the Prop 218 Vote fails?

If the Proposition 218 Vote fails, potential outcomes include further reduction in the level of maintenance that may include the following:

- Medians and parkways or side panels
- Trails and trail areas
- Green spaces
- Vacation of easements to underlying property owners  
*(Coordination with the Community Development Department may be needed).*

# What happens if the Prop 218 Vote passes?

- There will be no reduction in current landscape service areas, the turf area at the corner of Fairmont and Village Center will be addressed and the City will pursue pending action regarding obtaining easements on Pepper St. north of Cassia.
- Additional funds may be available for future capital improvement projects and the long-term vision of the zone.



# Questions?

For any questions or comments, please call **714-961-7170** or email [LMAD@yorbalindaca.gov](mailto:LMAD@yorbalindaca.gov)

Please provide your **email** to receive the latest news about your property's LMAD Zone, please use the following link to subscribe: <https://www.yorbalindaca.gov/lmadupdates>