



Board Agenda Item 37

DATE: May 8, 2018

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Resolution to Appoint an Assessment Engineer & Resolution of Intent to Levy an Increased Assessment - County Service Area 2, Tenaya Estates

RECOMMENDED ACTION(S):

- 1. Adopt Resolution initiating proceedings under, Chapter 3 of the Landscaping and Lighting Act of 1972 for County Service Area 2, Tenaya Estates, and appointing an Assessment Engineer to prepare and file an Engineer's Report.**
- 2. Receive and approve the Engineer's Report: Tenaya Park Assessment District, County Service Area 2.**
- 3. Adopt Resolution of Intention to set a public hearing on June 12, 2018 at 9:00 a.m., to consider an assessment for operation and maintenance of Tenaya Park, benefitting properties within County Service Area 2, Tenaya Estates, which includes 142 residential parcels.**

Approval of the first recommended action will enable your Board to adopt a resolution appointing Steven E. White, P.E., Director of the Department of Public Works and Planning, as Assessment Engineer and to order the filing of an Engineer's Report. Approval of the second recommended action allows your Board to receive and approve the Engineer's Report. Approval of the third recommended action enables your Board to adopt a resolution of intention setting a public hearing on June 12, 2018 at 9:00 a.m., to hear protests. The proposed assessment is necessary to fund the park maintenance services and continued administrative costs associated with management of County Service Area 2, Tenaya Estates (CSA 2). This item pertains to a location in District 2.

ALTERNATIVE ACTION(S):

Staff has not identified any alternative action.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended actions. All operation, maintenance, and County staff costs are paid by the benefitted properties within CSA 2 from property assessments, interest income, and property tax revenues.

DISCUSSION:

County Service Area 2 was formed on December 26, 1962, to provide services for the subdivision known as Tenaya Estates located West of North Palm Avenue, East of North Fruit Avenue, North of West Escalon Avenue and South of West Sierra Avenue in Fresno, California. The services consist of maintaining a two and a half acre community park, known as Tenaya Park, which is located in the center of the Tenaya Estates Subdivision. The subdivision consists of 142 residential parcels as shown on Exhibit A.

On June 17, 2014, after a Proposition 218 proceeding in which CSA 2 property owners received an opportunity to protest, the Board approved an assessment of \$43,736, or \$308 per parcel, for FY 2014-15. The maximum annual assessment per parcel approved by CSA 2 property owners for the second year (FY 2015-16) was \$46,008 or \$324 for each of the 142 developed single-family residence parcels. The maximum annual assessment per parcel approved by CSA 2 property owners for the third year (FY 2016-17) was \$48,280 or \$340 for each of the 142 developed single-family residence parcels. The maximum annual assessment per parcel approved by CSA 2 property owners for the fourth year (FY 2017-18) is \$50,552 or \$356 for each of the 142 developed single-family residence parcels. The maximum annual assessment per parcel approved by CSA 2 property owners for the fifth year (FY 2018-19) is \$53,108 or \$374 for each of the 142 developed single-family residence parcels.

CSA 2 property owners approved a formula providing that the assessment may be adjusted for any or all of the nine budget years after FY 2014-15 to provide for building reserves and addressing inflation at the rate of no more than 5% over the previous year. After the end of the ninth year (FY 2023-24), the yearly assessment per parcel, adopted by your Board and approved by CSA 2 property owners, will remain at the same amount unless CSA 2 property owners approve an increased assessment through another Proposition 218 ballot process. The 142 parcels receiving park maintenance will pay 100% of the costs associated with the service.

The current agreement with Tenaya Estates, Inc., most recently amended on April 26, 2016 (Agreement No. 10-432), and effective through June 30, 2020, provides for a maximum payment to Tenaya Estates, Inc. of \$54,500 for FY 2018-19.

The Process

The park maintenance budget is funded by annual assessments, interest on cash reserves, and a portion of property taxes on developed lots. The Board and CSA 2 property owners approved the park maintenance annual assessments, including a formula for inflation adjustments, on June 17, 2014 in a Proposition 218 process.

The process of levying an annual assessment on real property within CSA 2 must conform to the requirements of the California Streets and Highways Code (SHC), Division 15, Part 2 - Landscaping and Lighting Act of 1972, Chapter 3.

This is not a Proposition 218 process. There are two reasons why a Proposition 218 process is not required this year.

- First, CSA 2 property owners already approved a formula providing that the assessment may be adjusted for any or all of the nine budget years after FY 2014-15 in the Proposition 218 proceeding in FY 2013-14.
- Second, the assessment for FY 2018-19 does not exceed the maximum assessment under that formula.

The Landscaping and Lighting Act of 1972, which is the enabling legislation for this assessment, requires an annual proceeding in which your Board levies the adjusted assessment. CSA 2 property owners and other

interested persons may voice objections during the hearing or submit protest letters for your Board's consideration, but pre-printed ballots are not required unlike in a Proposition 218 proceeding and your Board may approve or disapprove the annual assessment based on your independent discretion.

Pursuant to Sections (§§) 22552 and 22553 of the Landscaping and Lighting Act of 1972, the Clerk of the Board shall give notice by causing the resolution of intention to be published one-time, no later than 10 days prior to the public hearing scheduled for June 12, 2018, in accordance with GC, §6061.

Purpose of the Assessment

The work of park maintenance in CSA 2 is provided by Tenaya Estates, Incorporated, under agreement with the County. The park infrastructure is aging and some playground equipment needs to be replaced. In addition, the electrical and irrigation systems are antiquated and need to be replaced for safety and water conservation. Building reserves into the proposed assessment allows CSA 2 to budget for the additional maintenance required and address unanticipated expenses.

Engineer's Report

If your Board approves the recommended actions, the Engineer's Report will be prepared and filed with the Clerk of the Board and made available for public inspection in its entirety no later than May 8, 2018.

The Engineer's Report will be prepared pursuant to the provisions of the California Constitution, Article XIID, Section 4; Title 3, Division 2, Part 2, Chapter 2.5 - County Service Areas of the California Government Code (GC), §25210 and following, particularly GC, §25215.3; and, Division 15, Part 2 - Landscaping and Lighting Act of 1972 of the SHC, §22500 and following, particularly §§22585 through 22613. The Engineer's Report will include the projected cost to fund the continued maintenance of the park and build reserves for the replacement of the park infrastructure.

Proposed Initiating Resolution

Approval of the first recommended action continues the process necessary to fund the continued maintenance and operation of CSA 2's park maintenance services and to build reserves for the replacement of aging equipment. In general, by approving the proposed resolution, your Board makes the following key findings, determinations, and authorizations:

- (a) Initiates proceedings to levy the annual assessment in CSA 2, and appoints, Steven E. White P.E., Director, County of Fresno Public Works and Planning, as the Assessment Engineer in connection with CSA 2 proceedings that are the subject of the recommended resolution.
- (b) Authorizes and directs Steven E. White P.E., Director, to prepare an Engineer's Report, to be filed with the Board under Article XIID Section 4 of the California Constitution and the Streets and Highways Code Landscape and Lighting Act of 1972 found in Division 15, Part 2, Chapter 3.
- (c) Provides that the propose resolution shall take effect immediately upon its adoption.

Proposed Resolution of Intention

Approval of the third recommended action continues the process necessary to fund the continued maintenance and operation of CSA 2 park maintenance services. In general, by approving the proposed resolution, your Board makes the following key findings, determinations and authorizations:

- (a) Receives and approves the Engineer's Report, to be filed with your Board under Article XIID Section 4 of the California Constitution and the Streets and Highways Code Landscape and Lighting Act of 1972

found in Division 15, Part 2, Chapter 3.

- (b) Declares the intention to levy and collect assessments in CSA 2 for operation and maintenance of Tenaya Park, and declares that the assessment is not "increased" as that word is defined by Streets and highways Code section 22630.5, Government Code section 54954.6, subdivision (a)(1) and Government Code section 53750, subdivision (h)(1) (because it conforms to the formula previously approved by District property owners in a Proposition 218 proceeding).
- (c) Sets a public hearing of your Board (Public Hearing) for June 12, 2018, at 9:00 A.M., or as soon after as practicable, in the Board Room of the Fresno County Board of Supervisors, Room 301, Hall of Records, 2281 Tulare Street, Fresno, California, 93721, to hear all objections and protests to levy the annual assessment. The Public Hearing shall be held pursuant to §§ 22629 through 22631 of the California Streets and Highways Code and may be continued from time to time by your Board without further notice. However, that it may not be continued to a date after August 10 (in any given year) without prior consent of the County Auditor-Controller/Treasurer-Tax Collector, so there is time to put the assessment onto the tax roll for the 2018-19 tax year.
- (d) Authorizes and directs the Clerk of the Board to prepare and cause the proposed resolution of intention to be published, one-time no later than 10 days before the public hearing on June 12, 2018, pursuant to §§ 22552 and 22553 of the Landscaping and Lighting Act of 1972.
- (e) Provides that the proposed resolution shall take effect immediately upon its adoption.

REFERENCE MATERIAL:

BAI #11, June 17, 2014

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A

On file with Clerk - Resolution

On file with Clerk - Engineer's Report

On file with Clerk - Resolution of Intention

CAO ANALYST:

Sonia M. De La Rosa