



CC Regular Meeting

AGENDA ITEM REPORT

Meeting: June 3, 2025

Title: Adopt Resolution CC 2025-53 Declaring the Intent to Levy and Collect Assessments on Vehicle Parking District No. 1 for Fiscal Year 2026 and Set Public Hearing for Protests in Relation Thereto

Presented by: Rafael M. Fajardo, Director of Public Works/City Engineer

Recommendation: 1. City Council to receive and file the Engineer's Report; and
2. Adopt Resolution CC 2025-53 declaring the City's intention to levy and collect assessments on Vehicle Parking District No. 1 for Fiscal Year 2026 and setting the Public Hearing date for July 1, 2025 for hearing protests in relation thereto.

EXECUTIVE SUMMARY/BACKGROUND:

Vehicle Parking District No. 1 was created on September 6, 1955 in accordance with *California Streets and Highways Code Sections 31500-31519* entitled "*Vehicle Parking District Law of 1943.*" The District was created to provide a means for acquiring, improving, maintaining, operating, and administering the off-street parking facilities for Downtown Covina.

In November 1996, California voters approved "The Right to Vote on Taxes Act," the State Constitutional Amendment known as Proposition 218. At that time, the existing Vehicle Parking District No. 1 assessments did not qualify for any of the tax or assessment exemption provisions contained in the Constitutional Amendment, and therefore property owner approval was required to continue ad valorem assessment of properties within the District. In 1997, the continuation of the ad valorem assessment (special tax) rate of \$0.0875 per \$100 of assessed property valuation was submitted to a vote of the affected property owners. The ballots resulted in 83% in favor of the continued assessment, in compliance with the provisions of the Constitution.

Each fiscal year, State law requires an Engineer's Report be prepared prior to levying assessments on the LA County property tax roll for certain types of assessment districts. The 2025-2026 Engineer's Report for the Vehicle Parking District No. 1 (Attachment A) has been prepared for review and consideration. A resolution (Attachment B) is also required in order to declare the City's intention to collect the assessments, and to set a public hearing date. As proposed, the City Council will conduct the required Public Hearing for this matter on July 1, 2025 at 7:30 p.m.

DISCUSSION:

The proposed property tax assessment would provide funds for the operation and maintenance of existing public parking lots, as well as for the future acquisition of properties for additional parking lots, as needed. The Engineer's Report recommends continuation of the ad valorem assessment rate of \$0.0875 per \$100 of assessed property valuation on the applicable properties within the District to provide approximately \$84,599 of revenue to this District in FY 2025-2026. There are a total of 163 properties with a total assessed property valuation of \$96,684,250. The recommended assessment rate has been in existence and unchanged since 1982.

Per the Engineer's Report, the revenues to be collected will be greater than the cost of operations and maintenance. For FY 2025-2026, the total revenue generated in the District is estimated to be \$195,074, including assessment revenue, parking permit revenues, and property rental revenues, among others. For FY 2025-2026, it is estimated that the total expenditures will be \$165,419. This leaves a surplus of \$29,655 in the District.

The current projected fund balance as we near June 30, 2025, is \$912,281 and will be increased to \$941,936 as of June 30, 2026. It should be noted that a portion of these funds have been accumulated to fund capital expenses and the future acquisition of parking facilities, if needed.

Table 1: Covina Vehicle Parking District No. 1 – FY 2025-2026 Summary

<u>Budget Item</u>	<u>Amount</u>
Parking Permits	\$35,000
Property Rental	\$57,948
EV Charging Stations	\$12,000
Other Revenue (including interest)	\$ 5,527
Proposed Assessments	<u>\$84,599</u>
Total - Projected Revenue	\$195,074
Operating Expenditures	\$165,419
Total - Projected Expenditures	\$165,419

Table 2: Covina Vehicle Parking District No. 1 – Fund Balance Summary

<u>Budget Item</u>	<u>Amount</u>
Estimated Fund Balance, Ending June 30, 2025	\$912,281
Operating Surplus, FY 2025-2026	<u>\$ 29,655</u>
Estimated Fund Balance, Ending June 30, 2026	\$941,936


FISCAL IMPACT:

Legally required engineering, advertising, and balloting costs for Vehicle Parking District No. 1 are included in the FY 2025-2026 Municipal Parking District budget (Fund 2700). The proposed action has no impact on the General Fund.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

Not applicable.

Respectfully submitted,



Rafael M. Fajardo
Director of Public Works/City Engineer