



CC Regular Meeting AGENDA ITEM REPORT

Meeting:	June 3, 2025
Title:	Ordering the Engineer's Report, Approving the Engineer's Report, and Declaring the Intent to Levy and Collect Assessments on Covina Landscaping 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:	<ol style="list-style-type: none">1. Adopt Resolution CC 2025-54 ordering the City's Assessment Engineer to prepare and file a report levying assessments within the Covina Landscaping District No. 1 for Fiscal Year 2026; and2. Adopt Resolution CC 2025-55 approving the Engineer's Report and declaring its intention to levy and collect assessments on the Covina Landscaping 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:

The Covina Landscaping District No. 1 (hereafter referred to as "District") was formed April 6, 1981, pursuant to the provisions of the *California Streets and Highways Code, Division 15, Part 2, Landscaping and Lighting Act of 1972* (hereafter referred to as "1972 Act"), in order to provide and maintain public landscape improvements in specified areas within the City of Covina, as discussed in the Engineer's Report (Attachment A).

Each fiscal year, prior to collecting assessments on the LA County property tax roll, the City Council must adopt resolutions (Attachments B and C) directing the City's Assessment Engineer to prepare and file a report regarding the proposed assessment for each district Zone, approving the Engineer's Report, and declaring the City Council's intention to levy and collect assessments for the upcoming fiscal year. The 2025-2026 Engineer's Report for the Covina Landscaping District No. 1 has been prepared for review and consideration. 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 revenue collected from assessed properties provides funds for the landscape maintenance of eighteen (18) active zones in the City as described below. A City contractor maintains the landscape improvements within each Zone.

- **Zone 1 - Parque Xalapa Area**

Description: Located in the southeast region of the City, south of Covina Hills Road, north of Holt Avenue and the San Bernardino Freeway, and east of Grand Avenue. The Zone was established in 1981. The annual assessments provide for landscape maintenance in Parque Xalapa, Forest Hills Drive, the Covina Hills Road Slope, and Oak Tree Park.

Assessment Methodology: Based on lot size and capped per Proposition 218; recommend continuing the maximum assessment of \$56.55 per 1,000 square feet of lot size to cover zone expenses.

- **Zone 2 - Arrow Grand Circle Area**

Description: Located in the north-central region of the City, south of Arrow Highway, north of Cienega Avenue, and west of Grand Avenue. The Zone was established in April 1981. The annual assessments provide for landscape maintenance at the entrances to Arrow Grand Circle off of Arrow Highway, as well

as the north side of Cienega Avenue between Grand Avenue and Barranca Avenue that is adjacent to the properties within the Zone.

Assessment Methodology: Based on lot size and capped per Proposition 218; recommend continuing the maximum assessment of \$17.00 per 1,000 square feet of lot size to cover zone expenses.

- Zone 3 – Golden Grove Way Area

Zone has not been levied since FY 1983-84. The association of property owners along Golden Grove Way took over the maintenance of the landscape improvements originally associated with this Zone.

- Zone 4 – Four Residential Developments Near Arrow Highway/Puente Street

Description: Comprised of four residential developments (single-family and condominium) generally located south of Arrow Highway and north of Puente Street along the Azusa Avenue corridor. These four residential developments are inclusive of Tract 15506, Tract 14394, Tract 18642, Tract 33882, and Tract 34224. The Zone was added to the Covina Landscaping District No. 1 in FY 1986-87. The annual assessments provide for the maintenance of street landscaping (including street tree maintenance) associated with the properties, as well as a portion of the maintenance costs of Azusa Avenue landscaping (15% of the cost).

Assessment Methodology: Based on dwelling units and capped per Proposition 218; recommend continuing the maximum assessment of \$21.90 per dwelling unit to cover zone expenses.

- Zone 5 – Azusa Avenue

Description: Comprised of commercial/industrial properties generally located south of Arrow Highway and north of Badillo Street along the Azusa Avenue corridor. The Zone was added to the Covina Landscaping District No. 1 in FY 1986-87. The annual assessments provide for the maintenance of street landscaping (including street tree maintenance) specifically associated with these properties including 85% of the maintenance costs of Azusa Avenue landscaping.

Assessment Methodology: Based on lot size and capped per Proposition 218; recommend continuing the maximum assessment of \$10.00 per 1,000 square feet of lot size to cover zone expenses.

- Zone 6 – Dalton Place

Description: Annexed into the Covina Landscaping District No. 1 in FY 2017-18. The Zone is comprised of 63 single family residential units, inclusive of Tract 73455. Improvements within this area consist of approximately 6,143 square feet of parkway landscaping and 28 street trees. The annual assessments provide for the maintenance of the parkways and street trees specifically associated with these properties.

Assessment Methodology: Based on dwelling units and adjusted annually by the change in the Consumer Price Index up to a maximum of 3%; recommend the assessment of \$139.78 per dwelling unit to cover zone expenses.

- Zone 7 – Citrus Promenade

Description: Annexed into the Covina Landscaping District No. 1 in FY 2018-19. The Zone is comprised of 117 townhomes, inclusive of Tract No. 74512-1. Improvements within this area consist of median and parkway landscaping along Citrus Avenue. The annual assessments provide for the maintenance of the median and parkways associated with this development.

Assessment Methodology: Based on dwelling units and adjusted annually by the change in the Consumer Price Index up to a maximum of 3%; recommend the assessment of \$103.66 per dwelling unit to cover zone expenses.

- Zone 8 – Three Residences on Dexter Street

Description: Annexed into the Covina Landscaping District No. 1 in FY 2018-19. The Zone is comprised of three townhomes, located south of Dexter Street and east of Fourth Avenue. Improvements within this area consist of four street trees. The annual assessments provide for the maintenance of the street trees specifically associated with these properties.

Assessment Methodology: Based on dwelling units and adjusted annually by the change in the Consumer Price Index up to a maximum of 3%; recommend the assessment of \$62.37 per dwelling unit to cover zone expenses.

- Zone 9 – Four Residences on Ruddock Street

Zone has not been levied since FY 2023-24. The development was expected to build out to a four lot residential subdivision. However, the development was never constructed.

- Zone 10 – Atwood

Description: Annexed into the Covina Landscaping District No. 1 in FY 2019-20. The Zone is comprised of 52 townhomes, four live/work lofts, and three office/retail units, located north of Orange Street and west of Citrus Avenue. Improvements within this area consist of 31 street trees. The annual assessments provide for the maintenance of the street trees specifically associated with this development.

Assessment Methodology: Based on dwelling units or commercial lot size and adjusted annually by the change in the Consumer Price Index up to a maximum of 3%; recommend the assessment of \$38.87 per unit to cover zone expenses.

- Zone 11 – N Citrus Condos

Description: Annexed into the Covina Landscaping District No. 1 in FY 2021-22. Tract No. 73660 generally located west of N. Citrus Avenue and north of W. Orange Street will develop into eight condominiums. Improvements within this area will consist of two street trees. The annual assessments provide for the maintenance of the street trees specifically associated with this development.

Assessment Methodology: Based on dwelling units and adjusted annually by the change in the Consumer Price Index up to a maximum of 3%; recommend the assessment of \$37.20 per dwelling unit to cover zone expenses.

- Zone 12 – N Citrus Commercial Buildings

Description: Annexed into the Covina Landscaping District No. 1 in FY 2021-22. Tract 1224, Lot 6 (401 N. Citrus Avenue) generally located west of N. Citrus Avenue and north of W. Orange Street will develop into two commercial buildings. Improvements within this area consist of six street trees. The annual assessments provide for the maintenance of the street trees specifically associated with this development.

Assessment Methodology: Based on commercial lot size and adjusted annually by the change in the Consumer Price Index up to a maximum of 3%; recommend the assessment of \$96.07 per 1,000 square feet of lot size to cover zone expenses.

- Zone 13 – Covina Bowl

Description: Annexed into the Covina Landscaping District No. 1 in FY 2022-23. The Zone is comprised of one restaurant and 132 condominiums, located south of W. San Bernardino Road, north of W. Badillo Street and west of N. Rimsdale Avenue. Improvements within this area consist of 25 street trees and 7,757 square feet of irrigated landscaping. The annual assessments will provide for the maintenance of the street trees and parkway landscaping specifically associated with this development.

Assessment Methodology: Based on dwelling units or commercial lot size and adjusted annually by the

change in the Consumer Price Index up to a maximum of 3%; recommend the assessment of \$58.08 per unit to cover zone expenses.

- Zone 14 – Zest

Description: Annexed into the Covina Landscaping District No. 1 in FY 2022-23. The Zone is comprised of 151 townhomes, located south of Kelby Park and west of Barranca Avenue. Improvements within this area consist of four street trees and 662 square feet of irrigated landscaping. The annual assessments will provide for the maintenance of the street trees and parkway landscaping specifically associated with this development.

Assessment Methodology: Based on dwelling units and adjusted annually by the change in the Consumer Price Index up to a maximum of 3%; recommend the assessment of \$13.74 per unit to cover zone expenses.

- Zone 15 – Campsite Brewery

Description: Annexed into the Covina Landscaping District No. 1 in FY 2023-24. The Zone was developed into one business comprised of two buildings, located north of Front Street and west of Curtis Avenue. Improvements within this area consist of 12 street trees and 2,307 square feet of irrigated landscaping. The annual assessments will provide for the maintenance of the street trees and parkway landscaping specifically associated with this development.

Assessment Methodology: Based on commercial lot size and adjusted annually by the change in the Consumer Price Index up to a maximum of 3%; recommend the assessment of \$92.32 per 1,000 square feet of lot size to cover zone expenses.

- Zone 16 – Two Residences on Puente Street

Description: Annexed into the Covina Landscaping District No. 1 in FY 2023-24. The Zone will remain as two residential parcels, located north of Puente Street and west of Monte Vista Avenue. Improvements within this area consist of three street trees. The annual assessments will provide for the maintenance of the street trees specifically associated with this development.

Assessment Methodology: Based on dwelling units and adjusted annually by the change in the Consumer Price Index up to a maximum of 3%; recommend the assessment of \$140.72 per unit to cover zone expenses.

- Zone 17 – Stafford Place

Description: Annexed into the Covina Landscaping District No. 1 in FY 2023-24. The Zone is comprised of 38 residential townhomes, located north of Covina Blvd., west of Fairvale Avenue, and east of Citrus Avenue. Improvements within this area consist of nine street trees and 3,275 square feet of irrigated landscaping. The annual assessments will provide for the maintenance of the street trees and parkway landscaping specifically associated with this development.

Assessment Methodology: Based on dwelling units and adjusted annually by the change in the Consumer Price Index up to a maximum of 3%; recommend the assessment of \$97.22 per unit to cover zone expenses.

- Zone 18 – W Puente Townhomes

Description: Annexed into the Covina Landscaping District No. 1 in FY 2023-24. The Zone will develop into 10 residential townhomes, located north of W. Puente Street, east of S. 4th Avenue, and west of S. 3rd Avenue. Improvements within this area consist of 14 street trees and 2,750 square feet of irrigated landscaping. The annual assessments will provide for the maintenance of the street trees and parkway landscaping specifically associated with this development.

Assessment Methodology: Based on dwelling units and adjusted annually by the change in the Consumer Price Index up to a maximum of 3%; recommend the assessment of \$291.50 per unit to cover zone expenses.

The budget summary for each zone is compiled below. Of note, the Department of Public Works has removed certain personnel expenses from the District, and as a result, a Reserve Fund subsidy is no longer required to fund revenue shortages that previously existed in select Zones. Beginning with FY 2023-2024, each Zone's revenue exceeds its expenditures, and therefore each Zone contributes to the Reserve Fund. For FY 2025-2026, \$116,601 is retained in the Reserve Fund.

Budget Summary, FY 2025-2026

	<u>Assessment Revenue</u>	<u>Expenditures</u>	<u>Required Subsidy</u>	<u>Reserve Fund</u>
Zone 1	\$74,120	\$30,813	\$0	\$43,307
Zone 2	\$24,837	\$10,325	\$0	\$14,512
Zone 4	\$ 5,300	\$ 1,423	\$0	\$ 3,877
Zone 5	\$69,858	\$35,782	\$0	\$34,075
Zone 6	\$ 8,806	\$ 7,550	\$0	\$ 1,256
Zone 7	\$12,232	\$ 5,534	\$0	\$ 6,698
Zone 8	\$ 187	\$ 32	\$0	\$ 155
Zone 10	\$ 3,036	\$ 521	\$0	\$ 2,515
Zone 11	\$ 298	\$ 51	\$0	\$ 246
Zone 12	\$ 531	\$ 91	\$0	\$ 440
Zone 13	\$ 5,227	\$ 2,171	\$0	\$ 3,056
Zone 14	\$ 2,075	\$ 1,112	\$0	\$ 963
Zone 15	\$ 2,704	\$ 1,873	\$0	\$ 831
Zone 16	\$ 281	\$ 48	\$0	\$ 233
Zone 17	\$ 3,694	\$ 1,671	\$0	\$ 2,023
Zone 18	\$ 2,915	\$ 500	\$0	\$ 2,415
Totals	\$216,100	\$99,499	\$0	\$116,601


FISCAL IMPACT:

Legally required engineering, advertising, and balloting costs for the Covina Landscaping District No. 1 are included in the FY 2025-2026 Street Trees and Landscaping Assessment District budget (Fund 2720). 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