



## CC Regular Meeting AGENDA ITEM REPORT

<b>Meeting:</b>	June 3, 2025
<b>Title:</b>	Ordering the Annexation of Territory to Covina Landscape Maintenance District No. 1, Confirming a Diagram and Assessment, Ordering the Improvements, and the Levy and Collection of Assessments within such Territory for FY 2025/2026
<b>Presented by:</b>	Rafael M. Fajardo, Director of Public Works/City Engineer
<b>Recommendation:</b>	1. Conduct a public hearing and consider all testimony that may be forthcoming; and 2. Adopt Resolution CC 2025-44 Ordering the Annexation of Territory to Covina Landscape Maintenance District No. 1, Confirming a Diagram and Assessment, Ordering the Improvements, and the Levy and Collection of Assessments within such Territory for FY 2025/2026.

### EXECUTIVE SUMMARY/BACKGROUND:

On April 1, 2025, the City Council adopted Resolution CC 2025-23 initiating proceedings to annex Zone 19 into Covina Landscape Maintenance District No. 1 and to levy and collect annual assessments. The Council also adopted Resolution CC 2025-24 declaring its intention to annex territory into the District and begin levying assessments for this annexation starting in FY 2025/2026. Additionally, the Council called for a property owner protest proceeding and initially scheduled a public hearing for Tuesday, May 20, 2025, at 7:30 p.m. in the Council Chambers, located at 125 East College Street, Covina, California. This hearing has since been rescheduled to June 3, 2025 to receive public input regarding the proposed assessments for FY 2025/2026.

The Covina Landscape Maintenance 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.

Each fiscal year, prior to making and collecting assessments within the District, the City Council must adopt resolutions directing the City’s Licensed Engineer to prepare and file a report regarding the proposed assessment for each Zone, approving the Engineer’s Report (Attachment B), and declaring the City Council’s intention to levy and collect assessments for the upcoming fiscal year. Additionally, before any assessments may be made, the City Council must also adopt a resolution establishing a noticed public hearing to hear any protests against the assessment and for the approval of the Engineer’s Report and adoption of a resolution ordering the levy of assessments for FY 2025/2026.

In accordance with the 1972 Act, the District utilizes benefit zones to address variations in the nature, location, and extent of the improvements that provide special benefits to parcels in the District. Within the boundaries of the District, parcels are assigned to a zone, each of which is associated with specific improvements that provide special benefit to properties within the zone.

### DISCUSSION:

As a condition of the City’s Subdivision Ordinance and a requirement for issuance of a permit for the construction of commercial, residential, and planned unit developments, developers are required to install median and parkway landscaping and appurtenant facilities along the public streets fronting the proposed development. These improvements generally include, but are not limited to, various landscape materials such as trees, turf, shrubs, vines, groundcover, and irrigation.

After installation, it is City policy that the servicing, operation, maintenance, repair, and replacement of landscaping and appurtenant facilities become the responsibility of the properties that specifically benefit from the facilities. The attached Engineer’s Report has been prepared in connection with the annexation of the parcels into the District and the resulting new assessment for the parcels within Zone 19 established in the Report in connection with the annexation territory for FY 2025/2026, pursuant to a resolution of the City Council. The Report consists of five parts: Part I: Plans and Specifications, Part II: Method of Apportionment, Part III: Estimate of Costs, Part IV: Boundary Diagrams, and Part V: Assessment Roll.

Zone 19

Tract No. 84311, generally located north of Limoncello Lane, east of Ruby Red Drive and west of Barranca Avenue, will develop out to seventy-five (75) condominiums and is currently identified by the Los Angeles County Assessor’s Office as parcel 8430-015-021. Improvements within this area will consist of eight (8) trees and 1,008 square feet of irrigated landscaping.

The City recommends that the rate of \$20.20 per EBU be imposed for Zone 19 for FY 2025/2026, which will generate sufficient revenue to cover projected expenses with an inflator. The annexation territory budget is on page 15 of the FY 2025/2026 Annexation Engineer’s Report.

In order to assure that the improvement funding is sufficient in the future to address the ongoing maintenance and replacement cost increases that naturally occur over time due to inflation, the special benefit assessments being presented to the property owners in the ballot proceeding conducted in connection with the Engineer’s Report includes an annual inflationary adjustment (assessment range formula). This inflationary adjustment formula provides for the FY 2025/2026 maximum assessment (initial maximum assessment rate) for the Annexation Territory to increase by an amount equal to the lesser of: (1) three percent (3.0%) or (2) the annual percentage increase of the Local Consumer Price Index (CPI) for “All Urban Consumers” for the Los Angeles-Long Beach-Anaheim Area (February of the given year from the previous February or similar time frame) in FY 2025/2026.

**Table 1: Covina Landscape District No. 1, Zone 19 – FY 2025/2026 Summary**

Budget Item	Zone 19
Proposed Assessments	\$1,514
General Benefit Subsidy	0
Total Projected Revenue	\$1,514
Landscape Maintenance Expenses	\$1,037
Administration	164
Total Projected Expenses	\$1,201
Estimated Ending Fund Balance (Reserves)	\$313

There is no general benefit contribution from the City for Zone 19 at present. The general benefit represents what the City would pay for minimum service if the Zone did not exist, but the improvements were in place and need to be maintained at a minimum level of service.

Ballot Proceedings

As part of these proceedings, the City shall conduct a property owner protest ballot proceeding (“Ballot Proceeding”) for the proposed levy of a new assessment pursuant to the provisions of the California Constitution, Article XIID Section 4, and in accordance with the provisions of Government Code, Section 53753. In conjunction with this Ballot Proceeding, the City Council will conduct a noticed public hearing to consider public testimonies, comments, and written protests regarding the annexation, the resulting new Zone boundaries, and the new assessments described herein. Upon conclusion of the public hearing, property owner protest ballots received

will be opened and tabulated to determine whether majority protest exists as defined in Article XIID of the California Constitution.

As specified by the California Constitution, Article XIID Section 4(e):

“A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.”

After completion of the ballot tabulation, the City Council will confirm the results of the balloting. If majority protest exists for the proposed Zone 19 assessments, further proceedings to annex the parcels within the District and implementation of the new Zone and new assessments shall be abandoned at this time.

If tabulation of the ballots indicate that majority protest does not exist for the proposed new assessments and the assessment range formula presented and described herein, the City Council, by resolution, may adopt this Report (as submitted or amended); approve the assessment diagram (Zone Boundary Diagram) contained herein; order the annexation of the parcels within the District and the improvements to be made; and confirm the new assessments as outlined in this Report.

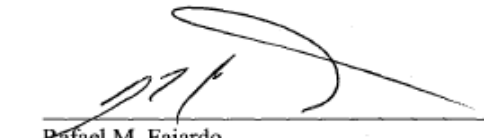
**FISCAL IMPACT:**

The proposed Zone 19 assessments are sufficient to cover operating expenses. Accordingly, 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