



## CC Regular Meeting

# AGENDA ITEM REPORT

<b>Meeting:</b>	June 5, 2025
<b>Title:</b>	Adopt Resolution Ordering the Annexation of Territory to Covina Lighting District No. 1978-79, 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 2025-45 Ordering the Annexation of Territory to Covina Lighting District No. 1978-79, 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:

Tract No. 84311 into Covina Lighting District No. 1978-79 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 Lighting District No. 1978-79 was formed on November 20, 1978, pursuant to the *California Streets and Highways Code, Part 2, Division 15, Landscaping and Lighting Act of 1972* (hereinafter referred to as the “1972 Act”), to finance the energy and maintenance costs of new streetlights installed by several commercial and residential developers. The District was formed through a public hearing process, and the properties within the District were designated Zone A for single-family residential and condominium units and Zone B for commercial, industrial, and apartment properties.

The City expanded the District in 1980 to include all developments that may or may not be required to install new streetlights but were required to construct public improvements adjacent to the property being developed, except when the development did not increase the existing floor area by fifty percent (50%) pursuant to the regulations of Chapter 11 of the Covina Municipal Code. Although a citywide District was not implemented, it was the City’s intent to work toward incrementally expanding the District to cover the entire City.

In December 1988, the District was expanded by annexing (through public hearing proceedings) parcels east and west of Azusa Avenue from Arrow Highway to 600 feet south of Badillo Street. A number of parcels were annexed to the District when streetlights were installed in conjunction with utility undergrounding projects. Parcels were also annexed to the District in connection with City sponsored street projects. These annexations were in areas where the property owners requested that streetlights be installed in their blocks with the owners paying for the installation of the streetlights. Subsequent annexations to the District included similar projects and developments but also included various individual residential and commercial properties that were annexed to the District as a condition of property improvements (building permits). This process of annexation resulted in the existing District representing approximately thirty-five percent (35%) of the parcels within the City.

Each fiscal year, prior to making and collecting assessments within the Covina Lighting District No. 1978-79, 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 levied, 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.

#### **DISCUSSION:**

Pursuant to the provisions of the 1972 Act, being Part 2, Division 15, of the California Streets and Highways Code, commencing with Section 22500, the attached Engineer's Report is prepared in compliance with the requirements of Article 4, Chapter 1, of the 1972 Act regarding the annexation of territory into the City's existing Covina Lighting District No. 1978-79.

The City Council of the City of Covina, being the legislative body for the District, may, pursuant to the 1972 Act, annex territory and levy annual assessments for the operation and administration of the District. In Section 22608 of the 1972 Act, it states "*right of majority protest shall be limited to the territory proposed to be annexed.*"

In addition, the 1972 Act provides for the levy of annual assessments after annexation into or formation of an assessment district for the continued maintenance and servicing of the improvements. The 1972 Act further allows various areas to be annexed into an existing district when the territory in the annexation receives substantially the same proportional special benefits from the improvements. The costs associated with the installation, maintenance, and servicing of the improvements may be assessed to properties which benefit from the installation, maintenance, and servicing of such improvements.

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. There are two Zones in the Covina Lighting District No. 1978-79 designated as Zones A and B. Zone A is comprised of single-family residences and condominium units. Zone B is comprised of commercial, industrial, apartment, and similar multi-family residential properties. The proposed assessments are for the costs of providing street lighting in these two zones.

The attached Engineer's Report specifically addresses the annexation of approximately 2.78 acres of territory consisting of one parcel (Tract No. 84311) 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 Diagram, and Part V: Assessment Roll.

This territory is more specifically identified as:

APN 8430-015-01 (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. This development will benefit from existing streetlights.

This annexation territory is proposed to be annexed into the District and levied assessments commencing in FY 2025/2026 and shall be known and referred to as:

Annexation No. 83 for the Covina Lighting District No. 1978-79

This annexation area will pay the special benefit costs associated with the on-going annual maintenance of the improvements including the servicing, operation, maintenance, repair, and replacement of the improvements.

The FY 2025/2026 proposed assessment rates are \$20.80 per Benefit Unit (BU) for Zone A and \$2.70 per BU for Zone B. Benefit Units are calculated per 1,000 square feet of land area for Zone B. The rates of \$20.80 per unit

for Zone A and \$2.70 per 1,000 square feet of land area for Zone B have been in effect since FY 1996 and are the maximum assessment rates for each Zone.

**Table 1: Annexation No. 83 Assessment Rates and Revenue**

Zone A	Units/BU	Proposed Rate	Assessment Revenue
Tract No. 84311	75 units	\$20.80/unit	\$1,560.00

There are no Commercial properties being annexed into this District for FY 2025/2026.

The Annexation Engineer’s Report proposes a \$1,508 General Fund contribution for Zone A to finance the shortfall portion of the FY 2025/2026 expenses. These General Fund contribution costs are already included in the budget identified on the next page in Table 2 and require no additional appropriations.

**Table 2: Annexation No. 83 – FY 2025/2026 Summary**

Zone A	
Budget Item	Total Amount
Proposed Assessments	\$1,560
General Fund Contribution	\$1,508
Total Projected Revenue	\$3,068
Energy and Maintenance	\$2,717
Administration	\$ 351
Total Projected Expenditures	\$3,068
Estimated Ending Fund Balance	(\$0)

### **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 annexation territory, 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 Annexation No. 83 assessment, 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 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.

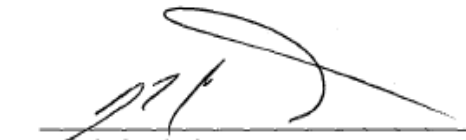
**FISCAL IMPACT:**

The assessment of properties within Annexation No. 83, under the proposed assessment rates, raises the funds necessary to pay the special benefit portion of the costs associated with Annexation No. 83. The General Fund portion of the costs associated with Annexation No. 83 requires a General Fund contribution of \$1,508.00 in FY 2025/2026.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

Not applicable.

Respectfully submitted,



Rafael M. Fajardo  
Director of Public Works/City Engineer

## Report Approval Details

Document Title:	PH - Annexation of Territory to Covina Lighting District No. 1978-79.docx
Attachments:	- Attachment A - Resolution CC 2025-45.docx - Attachment B - Annex 83 Engineers Report.pdf
Final Approval Date:	May 29, 2025

This report and all of its attachments were approved and signed as outlined below:

Raphael Guillen

Rafael Fajardo

Theresa Franke

Fabian Velez

Chris Marcarello