



Agenda Item No: 2.a

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: June 17, 2025

Submitted by: Chris Tanio

From: Public Works

Subject:

Public Hearing to Provide for the Annual Levy of Assessment for the City of Placentia Landscape Maintenance District 92-1 for Fiscal Year 2025-26

Financial Impact:

Fiscal Impact:

For FY 2025-26, LMD No. 92-1 will have an estimated \$440,867 in expenditures and projected assessment revenue of \$457,992. There is no impact to the General Fund associated with these recommended actions.

Summary:

The City of Placentia administers Landscape Maintenance District ("LMD") 92-1 ("District"). Property owners in the District pay an assessment on their property tax bill for the maintenance of common area landscaping. Each year, the City Council must order the preparation of an Engineer's Report which determines the amount of the assessment to be levied and reconfirms the boundaries and composition of the district. Based on the Engineer's Report (Attachment 2), the assessment rates for Fiscal Year ("FY") 2025-26 for LMD 92-1 will remain the same at current levels, which is the maximum allowed by law for this district without a new vote of the property owners to approve a rate adjustment. This action requests that the City Council conduct a public hearing to receive public testimony, and upon conclusion of the public hearing, adopt a resolution approving the Engineer's Report and setting the annual levy of assessment for FY 2025-26.

Recommendation:

Recommended Action: It is recommended that the City Council take the following actions:

1. Open the Public Hearing concerning the levy and collection of assessments within the Landscape Maintenance District 92-1; and
2. Receive the Staff Report, consider all public testimony, ask questions of Staff; and
3. Close the Public Hearing; and
4. Adopt Resolution No. R-2025-30, a Resolution of the City Council of the City of Placentia, California, approving Engineer's Report, confirming diagram and assessment, and ordering levy of continued assessments for Fiscal Year 2025-26 for Placentia Landscape Maintenance District No. 92-1.

Strategic Plan Statement:

There is no specific strategic planning goal or objective associated with this agenda item.

Discussion:

On May, 1992, the City Council adopted Resolution No. 92-R-123, which initially formed the District. This District, utilizing benefit assessments, funds the cost to maintain and administer the landscape areas identified within LMD 92-1, which includes Placentia Champions Sports Complex ("Complex"). In 1996, the City Council transferred the financial responsibility for maintenance of the Complex from the District to the City's General Fund. At the time it was determined that since the Complex had grown operationally and hosted sport leagues from outside the City, the General Fund should instead fund the cost to maintain the Complex. However, in 2010, the City Council adopted Resolution No. R-2010-03, which returned the financial responsibility of maintaining the Complex back to the District. This was done due to the extensive financial difficulties the City was faced with at the time, and the City's General Fund could not support the cost of maintaining the Complex. The Complex, however, is still an assessed improvement within the District and is one of numerous improvements maintained by the District. By 2014, it had become apparent that the District no longer generates sufficient revenue to maintain all the improvements within the District even when excluding the cost to maintain the Complex. As part of the Fiscal Year (FY) 2014-15 Operating Budget the maintenance cost for the Complex was informally transferred again to the City's General Fund to reduce the structural deficit within the District's fund.

Status of LMD 92-1 Fund

The cost to maintain the Complex and other improvements within the District has increased since the District's establishment in 1992. However, the rates paid by the assessed parcels have never been adjusted to match the rate of inflation. This has led to a persistent structural deficit within the District Fund, which is balanced each year by adjusting operational costs (i.e., reducing service levels) to maintain solvency and avoid a direct General Fund subsidy.

In addition to landscape maintenance, the District's assessments cover irrigation and electrical costs, infrastructure maintenance and repair, and management of expenses. These costs have consistently risen over time. Including the Complex's maintenance costs in the District budget would create an annual deficit requiring a General Fund subsidy. Therefore, the Complex's maintenance costs are included in the City's General Fund and not budgeted in the District. It is important to note that the City collects user fees from sports groups using the Complex and fees for sports field lights, which contribute to General Fund revenues and help offset the maintenance costs for the Complex.

In 1996, the voters of California approved Proposition 218, which limits the ability of public agencies to increase assessments for such districts. The cost to maintain the Complex and all other District improvements will continue to grow, and despite removing the maintenance costs of the Complex from the District, the City can expect to begin subsidizing the District in the near future. The current maximum rate per assessment unit established for the LMD 92-1 is summarized as follows:

Land Use Type	Current Assessment Rate
Single-Family Residential	\$154.87 per parcel
Commercial/Industrial	\$1,548.70 per acre
Multi-Family Residential	\$108.41 per unit
Undeveloped	\$774.35 per parcel

Public Hearing Process

The Landscaping and Lighting Act of 1972 (Streets and Highways Code § 22500-22647) requires that the City undertake certain proceedings for any fiscal year during which assessments are to be levied and collected upon private property. These proceedings are accomplished at two (2) separate City Council meetings. On May 20, 2025, the City Council adopted Resolution No. 2025-19 declaring its intention to provide for the Annual Levy of Assessments for LMD 92-1 and setting the time and date for a public hearing.

The Annual Levy of Assessments is for the purpose of providing landscape maintenance and means of assessment for the same as shown in the attachments. Each fiscal year, the City Council directs the preparation of an Engineer's Report, budgets and proposed assessments before the assessments can be levied. The Engineer's Report establishes the foundation and justification for the continued collection of the assessments for FY 2025-26. Documents to provide for the annual levy are presented for City Council approval as follows:

1. Resolution confirming a Diagram and Assessment, providing for Annual Assessment Levy (Attachment 1)
2. Engineer's Report and Assessment Diagram (Attachment 2)
3. Assessment Roll (On File with The City Clerk)

LMD 92-1 is exempt from, and not subject to the procedures and approval processes set forth in Article XIII D, Section 4 of the California Constitution enacted by Proposition 218 on November 5, 1996. The reason LMD 92-1 is not subject to Proposition 218 can be attributed to the fact that Proposition 218 also enacted Article XIII D, Sections 5 and 5(b) which exempted assessment districts formed prior to November 6, 1996, and which were formed pursuant to a petition signed by those owning all the parcels subject to the assessment at the time the assessment was initially imposed. This exemption is contingent on there being no increase in the amount assessed on a property owner in a category from the prior year. Since LMD 92-1 was formed prior to November 6, 1996, pursuant to a petition signed by those owning all the parcels subject to the assessment at the time the assessment was initially imposed, the District is exempt from the procedures and approval process set forth by Proposition 218.

Staff recommends that the City Council conduct the public hearing and adopt the attached Resolution (Attachment 1). Although verbal testimony may be taken, protests to the annual levy must be submitted in writing and filed with the City Clerk. The City Clerk will provide City Council with copies of any written protests received subsequently.

Attachments

[Attachment 1 - Resolution R-2025-30 - Engineer's Report and Levy of Assessment for LMD 92-1.pdf](#)

[Attachment 2 - LMD 92-1_Engineer's_Report_-_FY_2025-26.pdf](#)

[Attachment 3 - Assessment Roll.pdf](#)