

TOWN OF WINDSOR AGENDA REPORT

Joint Windsor Town Council, Windsor Redevelopment Successor Agency and Windsor Water District Meeting Date: April 16, 2025

To: Mayor and Town Council
From: Nick Walker, Administrative Services Director
Subject: Adopt Resolutions of Intention as Part of Fiscal Year (FY) 2025-26 Annual Proceedings for Windsor Assessment Districts

Recommendation to Council:

1. Adopt a resolution indicating intention to levy and collect annual assessments, preliminarily approve the FY 2025-26 Annual Engineer's Report for the Windsor Landscaping and Lighting Special Assessment District (LLAD-1) and set the time and date for the public protest hearing.
2. Adopt a resolution indicating intention to levy and collect annual assessments, preliminarily approve the FY 2025-26 Annual Engineer's Report for the Windsor Landscaping and Lighting Assessment District No. 2 (LLAD-2) and set the time and date for the public information meeting and the public protest hearing.
3. Adopt a resolution indicating intention to levy and collect annual assessments, preliminarily approve the FY 2025-26 Engineer's Report for the Town of Windsor 1982 Act Benefit Assessment District (82-AAD) and set the time and date for the public information meeting and the public protest hearing.

Strategic Plan Element:

The recommended action supports all four goals: Fiscal Health, Infrastructure, Livability and Organizational Effectiveness. Goal Statement: Ensure the economic health and long-term financial viability of the Town. Goal Statement: Through a lens of sustainability and innovation, invest in the Town's infrastructure and public facilities to meet the needs of future generations. Goal Statement: Preserve community character by maximizing the use of existing amenities and creating future opportunities that enhance quality of life for all. Goal Statement: Achieve a high performing organization by nurturing an engaged workforce committed to a shared vision of public service.

Background:

The Town of Windsor currently administers three special assessment districts in accordance with California's Landscaping and Lighting Act of 1972 and the Benefit Assessment Act of 1982. Each year, the Town Council undertakes a series of three meetings as part of the required annual proceedings to confirm assessments for the upcoming fiscal year. This staff report represents the second of those meetings and seeks Council direction on whether to proceed with the proposed assessments and associated annexations for the Fiscal Year 2025-26.

LLAD-1 is the Town's original Landscaping and Lighting District and includes six zones that support the maintenance of public infrastructure such as parks, streetlights, landscaped areas, and the Windsor Senior Center. LLAD-2 was established in 2008 to ensure that newer developments contribute to the full cost of maintaining the public improvements constructed within those neighborhoods. In addition to supporting their own landscaping and lighting needs, properties in LLAD-2 also contribute a supplemental park assessment that supports LLAD-1, Zone 1. Also created in 2008, 82-AAD provides

funding for the ongoing maintenance of flood control systems, drainage infrastructure, and stormwater quality improvements in newly developed areas.

Discussion:

LLAD-1: Windsor Landscaping and Lighting Special Assessment District No. 1

LLAD-1 includes six zones that fund the maintenance of a range of public improvements, including neighborhood and community parks, landscaped frontages and medians, street trees, streetlights, and the Windsor Senior Center. The Engineer's Report for Fiscal Year 2025-26 recommends maintaining assessment levels for Zones 1 through 5 at their current rates. However, for Zone 6, an increase of \$66.22 per Equivalent Single-family Dwelling (ESD) is proposed, resulting in a total assessment of \$266.22 per ESD. This adjustment reflects the application of the annual Consumer Price Index (CPI), which is authorized under the district's original formation documents.

While this CPI increase helps mitigate rising costs, it is important to note that the overall operational budget for LLAD-1 has increased substantially in recent years due to inflationary pressures, labor cost increases, and higher materials and maintenance expenses. As a result, the total General Fund contribution required to balance the district's budget for FY 2025-26 is estimated at \$2,569,898.11—a 27.4% increase over the previous fiscal year.

This structural shortfall highlights the growing gap between the district's fixed assessment revenue and the escalating costs of maintaining public improvements and amenities. Many of the LLAD-1 zones are already assessed at their maximum allowable rates, leaving limited flexibility to generate additional revenue through assessments. Despite ongoing efforts to reduce costs and prioritize critical maintenance activities, the shortfall has grown beyond what can be addressed through minor operational adjustments.

No new developments or parcel annexations are proposed for LLAD-1 this year. The district will continue to operate under its existing structure, with ongoing support from the General Fund as needed to ensure continuity of services and adequate maintenance standards. Further financial details, including reserve balances and zone-level expenditures, are included in Attachment No. 4.

LLAD-2: Windsor Landscaping and Lighting Assessment District No. 2

LLAD-2 currently consists of 24 zones, each of which pays assessments to support the maintenance of streetlights, landscaped frontages, medians, and other improvements located within or adjacent to their developments. Each zone also pays the supplemental park component that supports LLAD-1, Zone 1. For FY 2025-26, the Engineer's Report recommends the creation of four new zones, which will involve the annexation of new parcels into the district. In addition, two existing parcels are proposed to be annexed into Zone 102.

Importantly, two existing zones—Zone 122 (Shiloh Crossing) and Zone 124 (Shiloh Mixed Use)—are proposed for balloting. This balloting intends to obtain property owner approval to increase the maximum allowable assessment, which is necessary due to anticipated increases in maintenance efforts in future years. If approved, these zones will have the ability to increase their assessments to a new ceiling indexed by CPI in future years. As with LLAD-1, a CPI adjustment of 2.4% has been applied to the maximum assessments for all LLAD-2 zones in accordance with previously established provisions. Despite this adjustment, many zones continue to fall below the District's target funding levels. A modest General Fund contribution of \$21,963.60 for the coming fiscal year pays for the general benefit

attributed to the public for landscaping in roundabouts on Old Redwood Highway at Market Street (Zone 108) and at Windsor Road (Zone 109). More detailed financial and zone information is presented in Attachment No. 5.

82-AAD: Town of Windsor 1982 Act Benefit Assessment District

The 82-AAD currently encompasses 15 zones and funds the maintenance of infrastructure associated with flood control, drainage, and stormwater quality. For FY 2025-26, the Engineer's Report recommends the creation of four new zones, each involving the annexation of new parcels into the district. These newly annexed properties will be assessed based on the public improvements constructed as part of their developments. No General Fund contribution is required for this district. Further details are available in Attachment No. 6.

At this meeting, the Town Council is asked to review the proposed assessments for LLAD-1 and the proposed assessments and annexations into LLAD-2 and 82AAD, and either preliminarily approve the assessments or provide staff with any necessary changes. In addition, the Town Council is asked to set the dates for the public information meeting and public protest hearings, as required by the State Code. At the public protest hearing, the Town Council can authorize the final annual assessment amounts as presented in the Engineer's Report or can direct staff to decrease them; however, assessments may not be increased from the amounts set in the preliminary Engineer's Report (including any Council-directed changes).

PUBLIC OUTREACH AND BALLOTING REQUIREMENTS

Pursuant to the requirements of Article XIII D of the California Constitution and the governing statutes for assessment districts, the Town must conduct a mailed ballot proceeding for any property owner who is subject to either a new assessment (due to annexation) or an increase to the current maximum assessment. Balloting is scheduled for the following groups:

- LLAD-2
 - Four new zones to be created and parcels annexed (Zones 126, 127, 128 and 129),
 - Two parcels to be annexed into existing Zone 102,
 - Two parcels to be balloted in two existing zones (Zones 122 and 124),
- 82-AAD
 - Four new zones to be created and parcels annexed (Zones 126, 127, 128 and 129)

All affected property owners will receive ballot packets by mail. The outcome of the ballot proceeding is determined by majority protest—if a majority of weighted ballots (based on assessment amounts) are opposed, the proposed assessments cannot be implemented.

To support transparency and encourage public participation, a public information meeting for LLAD-2 and 82-AAD will be held by Town staff on May 5, 2025, at 3:30 p.m. Additionally, the formal public protest hearing for all three districts is scheduled for the Town Council meeting on June 4, 2025. At that time, Council may authorize the final assessment amounts as proposed or as modified by Council direction, so long as no increases are made above the preliminary amounts included in the Engineer's Reports.

Available for Review at the Office of the Town Clerk:

1. FY 2025-26 Annual Engineer's Report for Windsor Landscaping and Lighting Assessment District (LLAD-1), Preliminary
2. FY 2025-26 Annual Engineer's Report for Windsor Landscaping and Lighting Assessment District No. 2 (LLAD-2), Preliminary
3. FY 2025-26 Annual Engineer's Report for Windsor 1982 Act Benefit Assessment District (82-AAD), Preliminary

Fiscal Impact:

The estimated General Fund contribution to LLAD-1 for Fiscal Year 2025-26 is \$2,569,898.11, representing a 27.4% increase compared to the prior fiscal year. This contribution reflects the difference between actual maintenance costs and assessment revenue. For LLAD-2, the General Fund contribution is estimated at \$21,963.60. No General Fund contribution is required for 82-AAD.

Environmental Review:

The recommended action does not constitute a "project" within the meaning of California Environmental Quality Act (CEQA) Guidelines Section 15378 and requires no environmental review.

Attachment(s):

1. LLAD 1 - Resolution
2. LLAD 2 - Resolution
3. 82-AAD - Resolution
4. LLAD 1 - Additional Information
5. LLAD 2 - Additional Information
6. 82AAD - Additional Information
- 14.3 PowerPoint (Distributed 2025-04-14)

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