



CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT

MEETING DATE: June 3, 2020

PREPARED BY: Judy Viegas, Financial & Policy Analyst
APPROVED BY: City Manager

APPROVE RESOLUTION ORDERING ANNUAL ASSESSMENTS AND RELATED ACTIONS FOR CITY OF MORGAN HILL LANDSCAPE ASSESSMENT DISTRICT NUMBER 1 (DISTRICT)

RECOMMENDATION(S)

1. Open and close the Public Hearing; and
2. Adopt resolution confirming Fiscal Year (FY) 2020-21 annual assessments and ordering the levy of assessments for the District.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure

2020-2021 Strategic Priorities

Financial Sustainability

REPORT NARRATIVE:

The City of Morgan Hill Landscape Assessment District No. 1 (District) was created to pay for the maintenance of the parks and common landscaping in neighborhoods benefiting from the open space within the District. The purpose of this item is to:

- A) Provide an opportunity for public input;
- B) Confirm the FY 2020-21 Assessments; and
- C) Order the levy of the Assessments.

Per California Streets and Highways Code Sections 22623 to 22631, the Annual Report (Attachment 1) is required to set the annual assessments in the District. In addition to approving the report on May 6, 2020, the Council declared its intent to levy assessments in the District and established June 3, 2020 as the date of the official public hearing.

COMMUNITY ENGAGEMENT: Inform

Ongoing resident outreach is occurring in several of the subareas and City staff are striving to increase the resident outreach. Some areas have more active homeowners' groups that work with City staff in planning maintenance projects for their subareas, while residents of other subareas are less engaged. In recent years, City staff have successfully outreached to several areas, and in 2020 were successful in working with the Mill Creek subarea to increase that assessment rate. Although outreach with residents is typically positive, not all residents are satisfied with the service being provided within their subarea. This dissatisfaction is often due to the limitations of funding available to the subarea without the associated increase in assessments levied.

Staff is not proposing increases or decreases to assessments at this time, so no direct mailing has occurred. Staff will be engaging several areas via direct mail and targeted outreach in the coming year to attempt to address declining reserve levels within specific subareas.

ALTERNATIVE ACTIONS:

There is no other practical alternative action. The City Council could choose to provide staff with further direction on management of the District.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

In 1991, the City Council, under the Landscaping and Lighting Act of 1972, created the Fox Hollow/Murphy Springs Landscape Assessment District, and in 2010 chose to rename it to the City of Morgan Hill Landscape Assessment District No. 1.

On May 6, 2020, the City Council initiated the annual assessment process and approved the Engineer's Annual Report, for FY 2020-21.

FISCAL AND RESOURCE IMPACT:

The cost for preparation of the Engineer's Annual Report will be paid for by the Assessment District. It is anticipated that the District will generate \$188,552 in revenues in Fiscal Year 2020-21. Expenses are budgeted at \$171,733 meaning that overall, the District's reserves are projected to be increased by \$16,819 in the upcoming fiscal year. Providing administrative oversight to the District is a core activity of the Community Services Department's work program.

CEQA (California Environmental Quality Act):

Categorical Exemption

The planned maintenance and management of the sub-areas within the lighting and landscape assessment district fall within the CEQA categorical exemption of Class 1, Existing Facilities.

LINKS/ATTACHMENTS:

1. Engineer's Report - FY 2020-21
2. Resolution