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May 10, 2023

BPW-2023-0267

City Council
Room No. 395
City Hall

SUBJECT: ANNUAL ASSESSMENT - STREET LIGHTING MAINTENANCE AND OPERATION FOR 2023/24 PROPOSITION 218 CONFIRMED STREET LIGHTING MAINTENANCE ASSESSMENT DISTRICT (ASSESSMENTS DISTRICTS AFTER PROPOSTION 218)

As recommended in the accompanying report of the Director of the Bureau of Street Lighting, which this Board has adopted, the Board of Public Works recommend that your Honorable Body:

1. Council adopt this report and the two Ordinances of Intention, under which the boundary of the district is the same as its component districts' boundaries. The individual maintenance assessments are increased by 7.45%, the amount of the increase in the local Consumer Price Index for 2022, as allowed in their original ordinances, and this district is therefore exempt from the "procedures and approval process" (section 4 of Proposition 218) as allowed in section 5 of Proposition 218, for 2022/23. Assessment ballots are therefore not required; and
2. Proceedings for the maintenance of this street lighting maintenance district for fiscal year 2023/24 be conducted in conformance with Division 6, Chapter 3, Article 1 of the Administrative Code, California Government Code Section 53753.5, and Proposition 218 (Articles XIII C and XIII D of the California State Constitution). At the conclusion of the Council Public Hearing, assessments be confirmed and an ordinance levying the assessments be adopted.

Fiscal Impact: Approval will result in assessment revenue of about \$4,817,565 to the Street Lighting Maintenance Assessment Fund (SLMAF). A total of 39,434 parcels are included in this assessment district.

Sincerely,

DR. FERNANDO CAMPOS,
Executive Officer, Board of Public Works

FC:lc



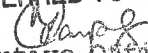
DEPARTMENT OF PUBLIC WORKS
BUREAU OF STREET LIGHTING
REPORT NO. 3

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California

May 10, 2023

C.D. All

Honorable Board of Public Works
of the City of Los Angeles

MAY 10 2023
AND REFERRED TO THE CITY COUNCIL

Executive Officer
Board of Public Works

ANNUAL ASSESSMENT FOR STREET LIGHTING MAINTENANCE AND OPERATION FOR 2023/24 – PROPOSITION 218 CONFIRMED STREET LIGHTING MAINTENANCE ASSESSMENT DISTRICT (ASSESSMENT DISTRICTS CONFIRMED AFTER PROPOSITION 218)

Recommending the Board:

1. ADOPT and FORWARD this report and transmittals to the City Clerk and City Council, in accordance with Section 6.98 of the Administrative Code of the City of Los Angeles, with the recommendations that:
 - a. Council adopt this Report and the two Ordinances of Intention, under which the boundary of the district is the same as its component districts' boundaries. **The individual maintenance assessments are increased by 7.45%, the amount of the increase in the local Consumer Price Index for 2022, as allowed in their original ordinances, and this district is therefore exempt from the "procedures and approval process" (section 4 of Proposition 218) as allowed in section 5 of Proposition 218, for 2022/23. Assessment ballots are therefore not required; and**
 - b. Proceedings for the maintenance of this street lighting maintenance district for fiscal year **2023/24** be conducted in conformance with Division 6, Chapter 3, Article 1 of the Administrative Code, California Government Code Section 53753.5, and Proposition 218 (Articles XIII C and XIII D of the California State Constitution). **At the conclusion of the Council Public Hearing, assessments be confirmed and an ordinance levying the assessments be adopted.**

FISCAL IMPACT STATEMENT:

Approval will result in assessment revenue of **\$4,817,565** to the Street Lighting Maintenance Assessment Fund (SLMAF). A total of **39,434** parcels are included in this assessment district.

TRANSMITTALS:

1. Draft of an Ordinance of Intention approved as to form and legality by the City Attorney for Proposition 218 Confirmed Street Lighting Maintenance Assessment District - Methodology "Benefiting Footage Method", confirmed prior to June 2006.
2. Draft of an Ordinance of Intention approved as to form and legality by the City Attorney for Proposition 218 Confirmed Street Lighting Maintenance Assessment District - Methodology "Land Use Method", confirmed after June 2006.

TRANSMITTALS: (cont.)

3. Final cost estimate for operation of the Proposition 218 Confirmed Street Lighting Maintenance Assessment District for **2023/24**.
4. Specifications for the operation of the street lighting systems processed as the annual assessment of the Proposition 218 Confirmed Street Lighting Maintenance Assessment District for **2023/24**.
5. Proposed assessment roll - Benefit Footage Method.
6. Proposed assessment roll - Land Use Method.

SUMMARY DISCUSSION:

Approval of this Report, adoption of the Ordinances of Intention, holding of the public hearings, and adoption of the Final Ordinances by Council, with approval by the Mayor, is required under Sections 6.95 to 6.127 of the Los Angeles Administrative Code to levy the assessments needed to operate the district for **2023/24**. The **\$4,817,565** in annual assessments is the only source of revenue for the street lighting maintenance expenses. The assessments are collected through the County Property Tax Bills, and therefore the assessments must be confirmed by the Council by **July 31, 2023** to ensure that the information can be included on the tax bills.

These assessments were previously confirmed by Council and billed on the **2022/23** County Property Tax Bills. In previous years they would have been included in the Los Angeles City Street Lighting Maintenance Assessment District (LACLD) for an annual procedure and assessment. Since the approval of Proposition 218, and the processing of the LACLD as an exempt district which must be kept as it was in 1996/97, this district must be kept separate from the LACLD. For administrative efficiency, it is being processed as one district instead of the original **2,427** with one report and two ordinances of intention, one ordinance of Intention for Proposition 218 Confirmed Street Lighting Maintenance Assessment District - Benefit Footage Method, confirmed prior to June 2006, one ordinance of intention for Proposition 218 Confirmed Street Lighting Maintenance Assessment District - Land Use Method, confirmed after June 2006. These ordinances authorize the assessments for a one year period (**July 1, 2023 to June 30, 2024**), as provided for in the initial ordinances of intention. Those initial ordinances also provide for small possible increases in annual assessments, up to the amount of the increase in the local Consumer Price Index (CPI), without additional assessment ballot proceedings. Therefore, these assessments for **2023/24** are increased by **7.45%** due to operating cost inflation.

PROPOSITION 218 IMPACTS:

Shortly after approval of Proposition 218 on November 5, 1996, we conferred with experts in assessments (in the private sector, in other cities, within the City; and with the City Attorney, CAO, CLA, City Clerk and others) to ascertain and deal with the impacts on assessments, and particularly for this District. Our conclusions, concurred in by the City Attorney, are:

1. This assessment district can be renewed, a year at a time, and is exempt from the voting, mailed notices, and other requirements of Proposition 218, Section 4, as long as the individual assessments and the boundaries of the component districts remain unchanged, allowing for increases in assessments that are within the local CPI, as approved at the time each component district was confirmed.
2. This district, although its 2,427 component districts were processed for varying periods of assessment from 12 to 36 months in their initial, or "Z-Series" stage, can be processed as exempt from the requirements of Section 4 of Proposition 218, under the authority of a single ordinance of intention.
3. If an increase greater than the local CPI becomes necessary, a ballot and notice must be mailed to all property owners in the Districts and if a weighted majority of the votes received are against the assessment, the increase cannot be levied.

PROCEDURES FOR CONFIRMING THE ASSESSMENTS:


Upon approval of this report and adoption of the Ordinances of Intention by the Council, dates will be set for hearing appeals, first at the Board of Public Works, and then at the Council. After consideration of the appeals, Council may vote to confirm the assessments, and to adopt the Final Ordinances ordering the maintenance work to be done and the assessments to be levied. This must be completed in time (with Council confirmation by **July 31, 2023**) to submit the necessary information to the County Tax Collector for inclusion with the Property Tax Bills, to avoid a costly, separate City billing preparation, mailing and collection.

The assessment diagrams of land previously approved for assessments are available, and the roll of individual assessments proposed to be levied within this district is being prepared by our assessment engineering staff. These documents will be available prior to the publication of the Notice of Public Hearing. The Ordinances of Intention have been approved as to form and legality by the City Attorney.

Report Prepared By:

Ruben Flamenco, Division Engineer
Street Lighting Assessment Division

Respectfully submitted,



Bureau of Street Lighting
Miguel Sangalang, Director