

**CITY OF FONTANA  
LANDSCAPE MAINTENANCE DISTRICT NO. 2  
PRELIMINARY ENGINEER'S REPORT  
VILLAGE OF HERITAGE**

**SECTION 1.            AUTHORITY FOR REPORT**

This report is prepared in compliance with the requirements of Article 2, Chapter 3, Section 22623 of the Streets and Highway Code, State of California (Landscaping and Lighting Act of 1972). In November of 1996, the voters of California passed Proposition 218 which added Articles XIIC and XIID to the California Constitution. These Constitutional provisions affect the procedural and approval requirements for the levy of assessments. Among other things, these requirements provide that assessed parcels of real property must receive a special benefit from assessments. Assessments are also subject to majority protest requirements. These requirements apply, unless an assessment district meets certain exemptions set forth in Proposition 218.

The following assessments are exempt from the procedures and approval process of Article XIID of the California Constitution;

- A. Any assessment imposed exclusively to finance the capital costs or maintenance and/or operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control; or
- B. Any assessment imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment is initially imposed.

The City of Fontana Landscape Maintenance District No. 2 qualifies as an existing assessment exempt under exemption "B" described above in that the assessment district was originally formed and the assessment was imposed pursuant to the district was consented to by all of the persons owning all of the parcels subject to the assessment at the time the assessment was initially imposed. The proposed assessments for the 2021-2022 Fiscal Year for Maintenance District No. 2 fall within this exemption because they are merely the annual levy for assessments previously consented to by property owners.

**SECTION 2.            GENERAL DESCRIPTION**

This report deals with the annual assessment for the Landscape Maintenance District No. 2 (Village of Heritage) for the 2021-2022 Fiscal Year commencing on July 1, 2021 and ending on June 30, 2022. Areas to be included in the work program are the parks, the trees within the dedicated tree maintenance easements, and the trees and ground cover within the tree and ground cover maintenance easements dedicated to the City, the public parks, and other areas required by the approved plan or by the City Council, or as dedicated by the various subdivisions.

**SECTION 3. PLANS AND SPECIFICATIONS**

The plans and specifications and installation for all landscaping will be completed by the developer at their cost for the individual areas to be maintained within each subdivision and be approved by the City's Public Works Department, available for public inspection, and incorporated herein by this reference as though set forth in full. Said plans and specifications show and describe the general nature, location and extent of the existing and proposed improvements to be maintained and/or serviced. The plans and specifications also indicate the class and type of improvements to be maintained and/or serviced for each zone within the District. The maintenance activities of the areas to be maintained by the District include, but are not limited to:

The repair, removal or replacement of all or any part of any improvement, providing for the life, growth, health and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing or treating for disease to injury, the removal of trimmings, rubbish, debris, and other solid waste, the maintenance, repair and replacement as necessary of all irrigation systems, and the removal of graffiti from walls immediately adjacent to the cultivated areas.

**SECTION 4. METHOD OF APPORTIONMENT OF ASSESSMENT SPREAD**

A. Calculations of Assessment. The methodology used to calculate the annual assessments was approved and adopted during the formation of the District. The assessments to be levied and collected for the Fiscal Year utilize the following formula:

The Engineer shall review the calculation of the Maximum Unit Assessment and the Alternate Unit Assessment. If the Alternate Unit Assessment is less than or equal to the Maximum Unit Assessment then:

1. each Mapped Unit shall be assessed the Alternate Unit Assessment; and
2. each Unmapped Unit shall not be assessed.

If the Maximum Unit Assessment is less than the Alternate Unit Assessment then:

1. each Mapped Unit shall be assessed the Maximum Unit Assessment; and
2. the Engineer shall calculate the Unmapped Unit Assessment and each Unmapped Unit shall be assessed the Unmapped Unit Assessment.

B. Definitions. The following definitions shall be used each fiscal year by the Engineer to calculate the assessment which shall be levied and collected pursuant to the resolution forming Landscape Maintenance District No. 2.

"Alternate Unit Assessment" means the amount calculated by dividing the Current Year Budget by the Mapped Units.

"Completed District Budget" means the sum of expenditures, including, without limitations, contingencies, which are estimated by the engineer to be incurred by the District during the Fiscal Year.

"Current Year Budget" means the sum of the expenditures, including, without limitations, contingencies, estimated by the engineer to be incurred by the District during the Fiscal Year.

"Current Year Needs" means the amount calculated by subtracting the cash reserves projected by the Engineer to be available to the District at the commencement of the Fiscal Year from the Current Year Budget.

"District" means Landscape Maintenance District No. 2.

"Fiscal Year" means the fiscal year for which the Engineer's report is being prepared.

"Mapped Property" means the property within the District which has been subdivided subsequent to January 1, 1986.

"Mapped Property Assessment" means the amount calculated by multiplying the Total Mapped Units times the Maximum Unit Assessment.

"Mapped Unit" means any unit within the Mapped Property.

"Maximum Unit Assessment" means the amount calculated by dividing the Completed District Budget by the Total Units.

"Residual Cash Requirements" means the amount calculated by subtracting the Mapped Property Assessment from the Current Year Needs.

"Specific Plan" means the West End Specific Plan, as amended from time to time.

"Total Mapped Units" means the sum of Mapped Units.

"Total Unmapped Units" means the sum of the Unmapped Units.

"Units" shall be calculated as follows:

1. For Unmapped Property:
  - a. Low Areas, Low Medium 1 Areas and Low Medium 2 Areas shall each be assessed at 4.6 units per acre.
  - b. Medium Areas shall be assessed at 6.6 units per acre.
  - c. High Areas shall be assessed at 15 units per acre.
  - d. Commercial Areas, Office/Institutional Areas and Business Parks Areas shall be assessed at 3.2 units per acre.
2. For Mapped Property:
  - a. Low Areas, Low Medium 1 Areas and Low Medium 2 Areas shall each be assessed at one (1) unit for each residential lot consisting of not more than 10,000 square feet created as a result of subdivision of the property.
  - b. Medium Areas shall be assessed at 6.6 units per acre; provided, however, any portion of the Medium Area on which a site plan has been approved by the City, shall be assessed eight tenths (8/10ths) of a unit for each residential unit to be constructed, or which has been constructed, on such portion of the Medium Area.
  - c. High Areas shall be assessed at 15 units per acre; provided, however, any portion of the High Area on which a site plan has been approved shall be assessed at seven tenths (7/10ths) of a unit for each residential unit to be constructed, or which has been constructed, on such portion of the High Area.
  - d. Commercial Areas, Office/Institutional Areas and Business Park areas shall be assessed at 3.2 units per acre.

"Unmapped Property" means property within the Unmapped Property.

"Unmapped Unit" means any unit within the Unmapped Property.

"Unmapped Unit Assessment" means the amount calculated by dividing the Residual Cash Requirements by the Total Unmapped Units.

**Section 5. ESTIMATED COSTS**

The costs of the original landscape improvements have been paid by the Developer. Annual maintenance and replacement costs will be borne by the benefiting property owners after the City accepts the landscape improvements for maintenance. The estimated maintenance cost, for assessment purposes, is based upon the areas to be maintained and the number of dwelling units.

A.	Estimated 2021-2022 fiscal year costs:	
	1.	Cost of Maintenance of Improvements
		a. Utilities \$1,206,740
		b. Repair, removal and replacement, spraying, <u>1,559,880</u> trimming and treatment debris removal and construct maintain turf/trees.
		Subtotal 2,766,620
	2.	Incidentals
		a. Administration <u>350,500</u>
	3.	Total Cost of Maintenance 3,117,120
	4.	Cash Flow Reserve 1,558,560
	5.	Contingencies Reserve 467,568
	6.	Capital Replacement 0
	7.	Reserve for Capital Replacement 0
	8.	Allowance for Tax Delinquency <u>0</u>
	9.	Total Full Cost Recovery 5,143,248
	10.	Less: Estimated Beginning Fund Balance <u>&lt;2,658,780&gt;</u>
	11.	Balance to Assess \$ 2,484,468

I. TOTAL UNITS AS OF JUNE 2022

A.	Total Map Units	
	1.	Residential
		a. L, LM1, LM2
		3,523 lots x 1.0 unit/lot = 3,523 units
		b. M
		0 lots x .8 units/lot = 0 units
		c. MT
		84 lots x .7 units/lot = 59 units

2.	Non-residential		
a.	395.58 acres x 3.2 units/acre =		<u>1,266 units</u>
	TOTAL MAPPED UNITS		4,848 units
B.	Total Unmapped Units		
1.	Non-residential		
a.	6.01 acres x 3.2 units/acre =		<u>20 units</u>
C.	TOTAL UNITS (Mapped & Unmapped)		4,868 units

II. ASSESSMENT FOR FISCAL YEAR 2021-2022

A.	Mapped Units	Unit Charge (\$)	# of EDUs	Assessment (\$)
1.	L, LM1, LM2	512.51	3,523	1,805,573
2.	M	512.51	0	0
3.	MT	512.51	59	30,136
4.	Non-residential	512.51	1,266	648,759
B.	Unmapped Units			
1.	L, LM1, LM2	0.00	0	0
2.	M	0.00	0	0
3.	MT	0.00	0	0
4.	Non-residential	0.00	20	0

**TOTAL ASSESSMENT OF MAPPED AND UNMAPPED UNITS** **\$2,484,468**

All of the costs and areas are based on current estimates. The total cost and unit costs vary as additional improvements for maintenance are added to the District. The costs shown are estimates only. The actual assessments are based on these costs and the difference between the estimated costs and actual costs will be accounted for in the subsequent year.

The 2021-2022 maximum assessment is \$512.51 per EDU an increase of \$10.05 (2%) over the prior year.

**SECTION 6. ASSESSMENT**

I, the appointed Engineer of Work, by virtue of the power vested pursuant to the "Landscaping and Lighting Acts of 1972", being Division 15, Part 2, of the California Streets and Highway Code, commencing with Section 22500, and by order of the legislative body, hereby make the following assessment to cover the estimated costs and expenses of the maintenance work for the improvements within Landscape Maintenance District No. 2 for the Fiscal Year commencing on the 1st day of July, 2021 and ending on the 30th day of June, 2022. Said costs and expenses are generally as follows:

Cost of Maintenance	\$ 3,117,120
Cash Flow Reserve	1,558,560
Contingency Reserve	467,568
Capital Replacement	0
Reserve for Capital Replacement	0
Allowance for Tax Delinquency	<u>0</u>
Total Costs	\$ 5,143,248
Less: Credit for Beginning Fund Balance	<u>&lt;2,658,780&gt;</u>
Balance to Assess	\$ 2,484,468

I do hereby assess and apportion the net amount of the cost and expenses upon the parcels of land represented by the City to be within LMD No. 2 liable therefore and benefitted thereby, in proportion to the estimated appear on the County Tax Roll. The assessment schedule hereby refers to the County Tax Roll for a description of the lots or parcels, and said Roll shall govern all the details concerning the description of the lots or parcels.

The Assessment Schedule hereby refers to the County Assessment Roll for a description of the lots or parcels, and said Roll shall govern for all details concerning the description of the lots or parcels.

The net amount to be assessed upon the lands has been spread and apportioned by a formula in accordance with the approved and adopted formula of the District, and in my opinion, said costs and expenses have been apportioned in direct relationship to the benefits received from the maintenance of the improvements.

Date: May 24, 2021



By John G. Egan  
John G. Egan  
Assessment Engineer  
R.C.E. 14853