FINANCE/PERSONNEL SUBCOMMITTEE AGENDA

SUBCOMMITTEE MEMBERS

LARRY McCALLON, MEMBER
JOHN TIMMER, MEMBER

January 12, 2021
10:45 a.m.
Upright Conference Room
Highland City Hall
27215 Base Line
Highland, California

SPECIAL NOTICE REGARDING COVID-19

In accordance with Governor Newsom's Executive Order N-25-20 and N-29-20, this meeting is being conducted via teleconference. Anyone can join the meeting.

Please follow the instructions below to listen to the meeting.

- Dial (844) 855-4444 (no charge/toll free)
- Press 360803# - When prompted for the Access Code

Submission of Public Comments: For those wishing to make public comments at the January 12, 2021 Finance/Personnel Subcommittee meeting, please submit your comments by email to be read aloud at the meeting by the Administrative Assistant. Email comments must be submitted by 9:45 a.m. on January 12, 2021, to publiccomment@cityofhighland.org. If you are making a comment regarding an item on the agenda, please identify the agenda item in the subject line.

All email comments shall be subject to the same rules as would otherwise govern speaker comments at a City Council Meeting.

CITY OF HIGHLAND MISSION STATEMENT

Highland is dedicated to the betterment of the individual, the family, the neighborhood and the community. The City Council and the staff of Highland are dedicated to providing the quality of public facilities and services that its citizens are willing to fund and will do so as efficiently as possible.

Visit the City's Website at: www.cityofhighland.org

THE CITY OF HIGHLAND COMPLIES WITH THE AMERICANS WITH DISABILITIES ACT OF 1990. IF YOU REQUIRE SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CALL THE CITY CLERK'S OFFICE AT (909) 864-8732, EXT. 226 AT LEAST 48 HOURS PRIOR TO THE MEETING.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the City of Highland to all or a majority of the Subcommittee less than 72 hours prior to that meeting are available for public inspection at Highland City Hall, 27215 Base Line, Highland, during normal business hours.

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Larry McCallon, Member | John Timmer, Member

FINANCE/PERSONNEL SUBCOMMITTEE
January 12, 2021 – 10:45 a.m.

CALL TO ORDER

PUBLIC COMMENT

ITEMS

1. Review Minutes of December 28, 2020 Meeting
   RECOMMENDATION: Approve the Minutes as submitted.

2. Proposal for Re-organization of the Consolidated Landscape and Lighting District (Attachment)
   RECOMMENDATION: That the Finance/Personnel Subcommittee review the FY 2020-21 proposal to determine the feasibility for Assessment Engineering Services for the Re-organization of the City's Consolidated Landscape and Lighting District to Address Funding Deficiencies.

3. Third Round Community Development Block Grant COVID-19 Funding CDBG-CV3 ($287,854.00) (Attachment)
   RECOMMENDATION: Staff recommends the Finance/Personnel Subcommittee allocate Third Round funds to a "Rental Assistance and/or Utility Assistance Program".

4. Reallocation of First Round Community Development Block Grant COVID-19 Funding CDBG-CV ($200,000) (Attachment)
   RECOMMENDATION: Staff recommends the Finance/Personnel Subcommittee reallocate remaining First Round Funds to the "Highland Senior Center Readymade Food Program".

ADJOURN

I, Elena Rodrigues, Administrative Assistant III, of the City of Highland, California, certify that I caused to be posted this Agenda on the 7th day of January, 2021, by 5:30 p.m. on our website at www.cityofhighland.org and in the following designated areas:

City Hall	Highland Branch Library	Highland Fire Station No. 1
27215 Base Line	7863 Central Avenue	26974 Base Line

Elena Rodrigues

Elena Rodrigues, Administrative Assistant III

Agenda Item #1

MINUTES
FINANCE/PERSONNEL SUBCOMMITTEE
December 28, 2020

This meeting was conducted as a teleconference meeting in the Upright Conference Room, 27215 Base Line, Highland, California.

CALL TO ORDER

The regular meeting of the Finance/Personnel Subcommittee of the City of Highland was called to order at 2:00 p.m. at the Upright Conference Room, 27215 Base Line, Highland, California.

ROLL CALL

Present: McCallon, Timmer
Absent: None

PUBLIC COMMENT

Received no public comment.

ITEMS

1. Review Minutes of November 24, 2020 Meeting
   - Minutes were approved as submitted.

2. 2020-2021 Service Cost Update
   - Staff gave a brief review of staff report.
   - Approved recommendation to bring forward to City Council for consideration.

ADJOURN

There being no further business the meeting was adjourned at 2:13 p.m.

Submitted by:

Elena Rodrigues

Elena Rodrigues, Administrative Assistant III

Approved by:

Subcommittee Member

Agenda Item #2

Harris & Associates

December 10, 2020

Melissa Morgan
Public Services Manager
27215 Base Line
City of Highland
Highland, CA 92346

Re: FY 2020-21 Update to Assessment Engineering Services for the City's Consolidated Landscape and Lighting District

Dear Ms. Morgan:

The following is our updated proposal to assist the City with the review and restructuring of the City's Consolidated Landscape and Lighting District to establish a new Landscape Maintenance District. The purpose in establishing the new Landscape Maintenance District is to seek an increase in assessment rates by mailing the required notice and property owner ballot to each parcel that would be assessed. The goal is to eliminate the City's current subsidy of maintenance costs where the current assessment rates do not generate the revenues needed, and to update the assessment methodology to comply with the requirements of Article XIII D. Our team includes professionals who have assisted the City with your Maintenance District since 2012. We are confident that we will exceed the City's expectations for this project.

As partners with you, our team offers the following advantages:

Skilled Project Team. Each of our team members has more than 10 years of assessment engineering and special financing experience. They thoroughly understand the provisions and implications of Prop. 218, and have provided special and general benefit analyses for all types of improvements.

Proven Success. Our team has a portfolio of successful completion of assessment district projects which include Proposition 218 analyses and establishments. Through this experience, we have developed a reputation for providing complete and thorough reports, and meeting aggressive project deadlines and legally required timeframes.

Firm Stability. For more than 25 years, Harris & Associates has been serving the specialized needs of public agencies. We pride ourselves on our ability to expand our services to meet the needs of our clients, such as providing expert assessment engineering and financial services.

SCOPE OF SERVICES

The following tasks describe the services to be provided to assist the City in the establishment of a new Landscape Maintenance District or restructuring the current District. This would include preparation of a new Engineer's Report(s) and preliminary assessment rolls. This will build upon the Proposition 218 analysis that we completed previously, and provide the City with recommendations regarding Proposition 218 balloting process options related

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to the formation of a new Landscape Maintenance District which will eliminate or reduce the General Fund contributions that are currently required in those landscape zones where the assessment revenues are less than the annual cost of maintenance.

Our proposed scope of services is based upon preparation of a new Engineer's Report for the formation of a new Landscape Maintenance District, which is based upon the requirements of Section 5, of Article XIII D. We will develop an updated assessment methodology for the new Landscape Maintenance District. The new assessment methodology will include the identification of new Benefit Zones based upon the types, quantity and level of landscape maintenance being provided to areas. Parcels will be assigned to the new Benefit Zones based upon the special benefit they receive. Only parcels currently being assessed will be included in the new Benefit Zones.

This will eliminate the current "Cost Zones" which may not be compliant with the requirement that assessments be proportional to the special benefit received by parcels, and will also result in the levy of assessments that will generate the funds needed (subject to the lack of a majority protest based upon a mailed property owner ballot process) to eliminate the current General Fund contribution to the current Consolidated District. If a majority of the property owners who return their ballot are opposed to the new assessments (weighted by assessment amount) the City could continue to levy the current assessments as part of the existing Consolidated District. If there is a majority approval, the new District could be combined with the existing District the following year so that only one report would be taken to Council annually.

The following outlines the specific tasks to be completed, based upon the preliminary methodology that we had previously discussed with the City. As part of this, we will identify any credits which should be applied to parcels in the existing landscape zones that have large fund balances. Those credits would reduce the assessments applied to parcels within those zones until they are depleted.

Phase 1

1. **Research & FY 2020-21 Update.** Gather material, maps, and District budget information; research locations of the improvements being maintained, and Assessor's parcel numbers as needed to update the existing database, including updating previously completed analysis with FY 2020-21 data.
2. **Recommended Benefit Zones.** Based upon a review of the landscape improvements which are currently being maintained, and the special benefits received by parcels, new Benefit Zones will be developed based upon the types of landscaping being maintained, frequency of maintenance, and other factors. Parcels will be assigned to the new benefit zones based upon the level of special benefit they receive. Up to three (3) meetings will be held with City staff to review the recommended Benefit Zones and the parcels to be assigned to each zone.
3. **Document Financial Needs.** Based upon budgetary requirements as reflected in the City's current maintenance contract, and estimated maintenance costs which will be confirmed through discussions with City staff, we will determine the level of assessment increases needed to fully fund the ongoing O&M activities within each Benefit Zone.
4. **Identify Parcel Credits**. Based upon the current fund balance in the existing zones which have a positive fund balance, the credit which should be applied to parcels will be determined. This will include the total credit to be applied and provide a system to track the remaining credit on an annual basis.

5. **Present Findings and Authorization to Proceed**. Attend Public Works committee meeting to review the proposed assessment methodology and new Benefit Zones. Present findings to City Council for adoption of Resolution of Initiation/authorization to proceed. Includes attendance at one (1) meeting. Additional meetings can be attended on a time and materials basis.

Phase 2

6. **Prepare New District Engineer's Report.** Prepare a new engineer's report for the formation of the new Landscape Maintenance District based upon the requirements of Proposition 218 including compliant assessment methodology. The report will be prepared by a Registered Civil Engineer. Furnish electronic copy of a draft Report for review and comment, and up to 10 copies of the final report with one (1) copy of the Preliminary Assessment Roll, for processing and filing. Attend City Council meeting for adoption (Resolution of Intention).
7. **Prepare New Assessment Diagram.** Prepare and deliver one (1) new district diagram as a part of the new district's formation Engineer's Report. (Diagram shall be based upon prior years diagrams, updated to reflect the new Benefit Zone boundaries)

8. **Support Outreach Activities.** Harris will support the City's outreach activities to property owners including preparing and mailing property owner information mailer, FAQ's and preparing presentations for use at community meetings. Harris will utilize a print vendor for property owner information mailer. Includes attendance at one (1) community meeting (excludes mailing costs). Additional meetings can be attended on a time and materials basis.

Phase 3

9. **Prepare Property Owner Ballot and Notice.** Prepare property owner notice and ballot based upon the requirements of Article XIII D and Government Code 53753 for review and approval of the City. Coordinate with a print vendor the printing and mailing of the property owner notice and ballot package.

10. **Public Hearing and Ballot Tabulation.** Attend the required Public Hearing and assist City Staff in addressing City Council and property owner questions. After completion of Public Hearing, tabulate assessment ballots for new district.

Phase 4

11. **Develop Procedures for Future Annexations.** Procedures will be developed for the annexation of future developments into the new District. This will include preparation of a request for annexation which would be executed by the property owner(s), and a ballot. The procedures will be reviewed with City staff.

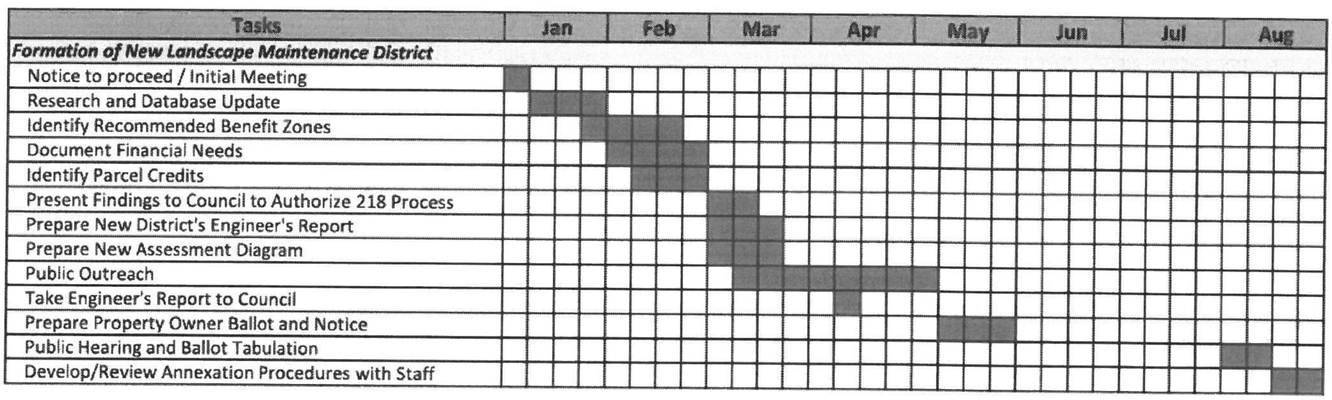
Responsibilities of the City

- City to designate a responsible official to manage and coordinate the project.

- Make available to Harris all available data, information, reports, maps, plans, specifications, cost estimates and other reasonable information for the proper performance of Harris' services including updated amounts for FY 2020-21.
- Prepare all resolutions and notices of public hearings or other meetings to be published by City Clerk, and schedule and agendize City meetings and hearings as required by law.
- Provide qualified legal counsel to draft legal notices and resolutions, etc., and to provide legal advice to City staff and to the Assessment Engineer as required.
- Schedule and hold Community Outreach meetings as desired with Harris support as outlined in #8 above.

Schedule

The following is a preliminary schedule for the new district formation/assessment increase proceedings, which shows a public hearing for the assessments being held in July/August and assumes all budget information will be provided by late January. This schedule can be modified as required by the City.



Project Team

Each of our team members has extensive assessment engineering and special financing experience. They thoroughly understand the provisions and implications of Prop. 218, and have provided special and general benefit analyses for all types of improvements.

Assessment Engineer – Alison Bouley, PE is a registered Professional Engineer in the State of California and has over 20 years of assessment and financial engineering experience consulting to cities, counties and special districts throughout the State of California. She has assisted agencies with the analysis of special benefit from various types of improvements, in accordance with the requirements of Article XIIID of the California State Constitution (Proposition 218). She has prepared Engineer's Reports and Assessment Diagrams, and has assisted with presentations to City Councils and property owners, the preparation and mailing of notices and ballots, and ballot tabulation.

Project Manager – Chris Thomas will be the project manager and main point of communication. He will be responsible for maintaining a close liaison with the City and ensuring the City satisfaction with the services. He will coordinate the technical aspects of completing the Scope of Work, and will provide technical support for the project. Mr. Thomas has 13 years of experience and has also been involved special district formations, preparation of Engineer's Reports and Assessment Diagrams and has assisted with presentations to City Councils and property owners.

Project Analyst –Carol J. Hill will be responsible for working with Alison and Chris to perform all items on the Scope of Work. This includes researching and analyzing LLMD maintenance cost data, Assessor's data, providing database analysis and summary information. Ms. Hill has 16 years of experience and has also been responsible for the City's existing Consolidated Lighting and Landscape District.

Fee Proposal

Based on our knowledge and understanding of the City's project and the scope of work outlined herein, Harris & Associates will provide the services indicated in the Scope of Services updated as follows:

Identification of New Benefit Zones and Preparation of Engineers Report

Phase 1 - Update (Tasks 1-5) Take to Council for NTP ....**$5,500** T&M Not-To-Exceed
Phase 2 - Finalize Engineer's Report and Outreach (Tasks 6- 8)* ....**$10,500** lump sum
Phase 3 - Prop 218 Process (Tasks 9-10)*...**$5,000** lump sum
Phase 4 - Develop Annexation Procedures (Task 11)...............................$1,000 lump sum
Total...**$22,000**

*** Excludes 2 Mailing Productions and Postage. Estimated Cost only. Final cost to be determined by separate contract with print vendor. (Task 8 mailing should be less but could be similar to ballot package depending on the number of inserts)**	**$11,000-$13,000**

Attendance at meetings as described in the Scope of Work and indirect expenses (such as mileage and duplicating) are included in the lump sum fees with the exception of printing & postage for the property owner notice and assessment ballots. Harris will coordinate the printing and mailing processes; we will invoice the City actual costs plus 5%. Invoices will be submitted monthly for services provided during the previous month. Payments are to be made by the City within 30 days of receipt of invoice.

Limitation of Liability
To the extent permitted by law, Consultant's total aggregate liability arising out of or relating to this Agreement shall not exceed total compensation received by Consultant under this Agreement.

Termination Clause
Consultant may terminate this Agreement for cause if the City fails to cure a material default in performance within a period of 30 days, or such longer period as Consultant may allow, after receipt from Consultant of a written termination notice specifying the default in performance. In the event of termination for cause by Consultant, City will pay Consultant for all services performed up to and including the effective date of termination.

If you have any questions regarding this proposal, we would be pleased to discuss them at your convenience. I can be reached at 909-229-9469.

Sincerely,

Harris & Associates

Chris Thomas
Project Manager

Alison Bouley, PE
Sr. Director, Municipal Funding & Special District Finance

Approved by:

City of Highland

Harris & Associates

MEMORANDUM

To: Melissa Morgan, Public Services Manager, City of Highland
From: Dennis Klingelhofer, PE
RE: Consolidated LLMD 96-1 Zone B (Landscape Maintenance) Re-Engineering
Date: February 13, 2019

BACKGROUND:

The current Consolidated LLMD 96-1 Zone B (Landscape Maintenance) (LLMD 96-1) is comprised of multiple sub-zones which were established through original formation and annexations over a number of years. LLMD 96-1 was established for the purpose of providing a dedicated sourse of funds for the maintenance and servicing of landscaping improvements and facilities located in the public right-of-way, public easements, water quality facilities and open space that were installed for the benefit of residents and/or businesses within each zone.

Several of the sub-zones (B-1 through B-20) were established without an inflationary adjustment (see Table 4) which has resulted in revenues falling well below the actual cost of service, resulting in the necessity of City General Fund contributions over numerous years to maintain the level of service. Additionally, this has resulted in 22 zones with negative fund balances. Continuation of the annual deficit in these sub-zones will result in larger and larger negative fund balances. For Fiscal Year 2018-2019, the City's General Fund contributed $175,237 to the District for those zones where annual maintenance costs exceeded assessment revenues. The General Fund contribution required will continue to increase year over year, unless there are substantial reductions in the level of maintenance services provided to those zones where the annual maintenance costs exceed the assessments levied.

In reviewing the current landscape maintenance contract, although the annual asessments in each sub-zone were originally established based upon estimated maintenance costs, the maintenance cost assumptions applied by contractors when bidding the maintenance contracts have resulted in drastically different cost rates between similarly serviced sub-zones. Since the contract is awarded based upon total cost, there is no incentive for contractors to bid per area based upon their expected level of effort. As a result, the next time the contract is bid, the cost by area in some sub-zones could be subtantially different even though the overall contract cost could remain the same. However, since the assessments for each zone are fixed, it could result in some zones where the assessment revenues were sufficient to cover the annual maintenance costs under the prior maintenance contract, to now be underfunded under the new contract. Since the assessment rate cannot be changed, the City may have to make a contribution for those zones. The inverse could incur in other zones.

This has resulted in a wide variance in the contract maintenance cost per acre between sub-zones even though the services being provided are similar (see Table 2 – Landscape Frequency Maintenance). Table 1 illustrates the wide range of contract maintenance costs per acre under the current maintenance contract. As seen, the difference in maintenance costs per acre can be as much as 3-8 times between sub-zones even though the services and frequency of service being provided are the same.

Table 1
Current Contract Maintenance Cost per Acre

Range	Benefit Zone A (Residential Only)	Benefit Zone B (Residential Only)	Benefit Zone C (Residential Only)	Benefit Zone D (Commercial Only)
Low[1]	$3,225	$5,555	$10,000	$9,900
High[1]	$10,000	$44,444	$12,000	$11,666

[1] Contract maintenance only (excludes all other budget line items). Cost per acre derived from the Zone B budget from the City of Highland Consolidated Landscape and Lighting District No. 96-1 Fiscal Year 2018-19 Engineer's Report.

This method of calculating the assessment to be levied upon parcels based on the costs of maintenance for the improvements within the zone results in a cost allocation method which is referred to as "Cost Zones". In the 2007 case of Bonander v. Town of Tiburon, the California Supreme Court held that assessments levied on the basis of cost where the benefits received by parcels was similar, violated Article XIII D (Proposition 218) of the California Constitution because rather than levying assessments based upon the direct and specific benefit proportional to each parcel, the assessments were levied on an area-by-area determination of the costs of the public improvement even though the benefit received by parcels was the same.

RECOMMENDED ASSESSMENT METHODOLOGY:

Pursuant to the 1972 Act and Article XIIID, it is recommended that all parcels which receive a special benefit conferred upon them as a result of the maintenance of landscaping installed within a development shall be identified, and the proportionate special benefit derived by each parcel shall be determined in relationship to the entire costs of the maintenance and operation of improvements.

Section 22573 of the Landscape and Lighting Act of 1972 requires that maintenance assessments must be levied according to benefit rather than according to assessed value. This Section states:

> *"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefit to be received by each such lot or parcel from the improvements."*
>
> *The determination of whether or not a lot or parcel will benefit from the improvements shall be made pursuant to the Improvement Act of 1911 (Division 7 (commencing with Section 5000) [of the Streets and Highways Code, State of California])."*

The 1972 Act also permits the designation of zones of benefit within any individual assessment district if "by reasons or variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvement" (Sec. 22547).

Article XIIID, Section 4(a) of the California Constitution limits the amount of any assessment to the proportional special benefit conferred on the property. Article XIIID also provides that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit from the assessment. Exempted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-ways, public greenbelts and public parkways.

Parcels within the current landscape maintenance zone receive the following benefits from the maintenance of landscaping within each zone:

- Enhanced desirability of properties through association with the improvements.
- Improved aesthetic appeal of properties within each sub-zone by maintaining a positive representation of the area.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.
- Environmental enhancement through improved erosion resistance, and dust and debris control.
- Increased sense of pride in ownership of property within the sub-zone resulting from well-maintained improvements associated with the properties.
- Reduced criminal activity and property-related crimes (especially vandalism) against properties in the District through well-maintained surroundings and amenities including abatement of graffiti.
- Enhanced environmental quality of the parcels within the Zones by moderating temperatures, providing oxygenation and attenuating noise.

All of the preceding special benefits contribute to a specific enhancement and desirability of each of the parcels within each sub-zone.

In order to levy assessments in proportion to the benefit received by a parcel, rather on the basis of cost, we propose creating a new LLMD with Benefit Zones which group areas based upon the types of landscaping facilities being maintained, and the frequency of maintenance. In addition, the benefit received by parcels is also a function of the quantity or amount of landscaped area being maintained per developed parcel. To adjust the assessment to reflect the additonal benefit parcels receive if there is a larger percentage of landscaped area being maintained, or the reduced benefit received by parcel in those areas with minimal landscaping, we also propose establishing an area specific Benefit Factor. The area Benefit Factor is the ratio of the landscaped area, within a specific area per developed parcel, to the average landscaped area per developed parcel for all areas within the Benefit Zone. Organizing parcels into Benefit Zones that have similar facilities with similar maintenance requirements, adjusted by a Benefit Factor that reflects the intesity of maintenance and/or size of facilities, results in a per parcel assessment that corresponds with the benefit received by each parcel. This eliminates the problem of "Cost Zones" and more directly correlates each assessement to the benefit received by each parcel. This is in conformance with the precedent set by the 2007 court case of Bonander v. Town of Tiburon, adherence to the intention of Proposition 218 and will reduce the probability of a legal challenge to the district.

Additionally, certain parcels within the various sub-zones receive greater benefits from landscape improvements than other parcels within the same sub-zone by either backing up to, facing or adjoining the improvements. In general, those parcels are assessed a Surcharge which increases the assessment to reflect the enhanced benefits they receive. The Surcharge will be calculated for each individual parcel upon formation of the restructured district.

Non-Residential parcels will be assessed based on the weighted proportion of maintained acreage in each subzone applied against the total maintenance cost of the new Benefit Zone. Each sub-zone within the new Benefit Benefit will spread the allocated cost to each parcel based on frontage, acreage or per parcel as applicable to each sub-zone depending on the most equitable manner.

Table 2 details the existing sub-zones that will comprise each new Benefit Zone, the types of landscaping facilities maintained and the frequency of maintenance in each new Benefit Zone. Note: Only parcels currently being assessed will be included in the new Benefit Zones. A map is also attached which shows the current sub-zones and the new Benfit Zones they will be part of.

Table 2:
Landscaping Maintenance Frequency Chart[2,3]

New Benefit Zone	Zone A	Zone B	Zone C	Zone D
Existing Zones	B-06, B-11, B-13, B-55, B-56	B-00 Baseline, B-00 Yarnell, B-01 - 05, B-07, B-10, B-16, B-17, B-20 Baseline, B-20 Streater, B-21, B-22, B-30, B-31, B-34, B-36, B-37, B-39, B-43, B-44, B-47, B-70	B-08 Highland, B-08 Slope Maint, B-15, B-35, B-59	B-09, B-24, B-25, B-29, B-48, B-54, B-61, B-63
Services:				
Pick up trash & debris	W	W	W	W
Irrigation test	W	W	W	W
Irrigation repair check	W	W	W	W
Spraying - Herbicidal	BM	BM	BM	BM
Ground cover - Weeding	M	M	M	M
Ground cover - Trimming	Q	Q	Q	Q
Shrub / Planter beds - Weeding	M	M	-	M
Shrubs - Pruning	M	M	-	M
Shrubs / Planter beds – Raking of leaves in the FALL	BM	BM	-	BM
Vine - Trimming	-	Q	Q	Q
Lawn – Mowing	W	-	-	-
Lawn – Edging	W	-	-	-
Turf Area - Fertilization	W	-	-	-
Trees - Trimming /	A	A	A	A

[2] Source: City of Highland General Landscape Specifications, Contract Documents & Specifications, BID No. 2017-01, "Landscape Maintenance Districts and Facilities/Parks Landscape Maintenance Contract.

[3] W–Weekly, M-Monthly Q-Quarterly, A-Annually, BM-Bi-Monthly (twice per month), BA-Bi-Annually (twice per year)

The Benefit Factor will take into effect the density/quantity of landscaping maintained within each development and result in an adjustment up or down to the initial assessment to reflect the unique maintenance requirements of each sub-zone. While the City has minimum landscaping standards for new development, developers have the option of installing more intense and a higher level of landscaping facilities depending on type of development and market conditions. The assessment charged each parcel owner needs to equitably reflect the level of landscaping facilties and correlating benefit to each parcel owner.The use of a Benefit Factor to increase or decrease an initial assessment will result in a better correlation between the landscaping benefit received and assesement applied to each parcel.

As part of the "re-engineering" of the district, the 21 zones that have a positive fund balance will use the fund balance as a credit against the annual assessment for each parcel in that particular zone until the fund balance is depleted.

Additionally, the new LLMD will include an annual inflationary adjustment to the assessment rates, subject to approval by the City Council. This will help ensure that future assessment revenue generated will increase proportionaly to the annual increase in cost of service.

Another benefit of "re-engineering" the LLMD into fewer benefit zones and grouping based upon the services provided is that it will reduce the effect of contractors inconsistent bidding practices which could result in a significantly different cost-per-square-foot in areas with similar services. The effect of spreading the cost of maintenance across multiple similarly benefiting parcels will smooth out the effect of how different contractors would estimate cost and result in assessments proportional to the true cost of service.

Table 3 summarizes the proposed assessement range of the new Benefit Zones. This reflects the benefit received proportional to the density and quantity of landscaping within each Benefit Area.

Table 3:
Restructured Zone Summary

Zone	Assessed Parcel Count	Benefit Area Total Costs [1]	Total Acres Maintained	Cost per Acre Maintained
Zone A – Residential Only	332	$48,955	2.05	$23,880
Zone B – Residential Only	2,038	$323,526	12.23	$26,453
Zone C – Residential Only	199	$25,786	.93	$27,726
Zone D – Commercial Only[2]	65	$129,389	5.22	$24,787

[1] Total Annual Expenses include all expenses but excludes Negative Fund Balance Transfers/General Fund Contributions. It Includes additional Fund Balance Contributions to build up Fund Balance in districts B-20 Baseline, B-24, B-25, B-26,B-34, B-36, B-48, B-54, B-55, B-59, B-61, B-63, B-70.

[2] Commercial zone to be broken into additional zones after further analysis.

Table 4 shows the existing sub-zones re-grouped into the new Benefit Zones, their existing and proposed assessments, their corresponding increase/decrease in assessment from the existing assessments, CPI adjustment and any fund balance credit per parcel.

The current proposed assessments shown on Table 4 do not take into consideration General Benefit or proximity to improvements. Parcels may receive a greater benefit due to their proximity, and a surcharge may apply as in the current district. Prop 218 also requires that any general benefits be identified and subtracted from the assessment applied to the benefiting parcels.

Harris & Associates

Table 4:
Restructured Zone Detail

New Zone A	Assessed Parcel Count	SQFT Landscape / EDU	FY 18-19 Budgeted Annual Costs[1]	FY 18-19 Budgeted Cost per EDU	FY 18-19 Actual Assessment per EDU	Benefit Factor[3]	Total Benefit Units	Proposed Assessment per Parcel[2]	Assessment Increase / (Decrease) per EDU	Annual Escalation-CPI Increase	Estimated Fund Balance Credit
Prior Sub-Zone											
B-06[5]	34	397.16	$3,045	$89.56	$54.74	1.63	55.50	$217.73	$162.99	No	$0.00
B-11[5]	168	140.01	$12,025	$71.58	$24.78	0.58	96.67	$76.76	$51.98	No	$0.00
B-13[5]	95	55.02	$6,913	$72.77	$42.30	0.23	21.48	$30.16	($12.14)	No	$0.00
B-55 (Note A)	35	672.07	$21,087	$602.49	$573.03	2.76	96.67	$368.44	($204.59)	Yes	$70,602
B-56 (Note A)	35	672.07	$5,885	$168.14	$67.64	2.76	96.67	$368.44	$300.80	Yes	$31,094
Total	**367**				**Cost per Benefit Unit**		**$133.39**				

New Zone B	Assessed Parcel Count	SQFT Landscape / EDU	FY 18-19 Budgeted Annual Costs[1]	FY 18-19 Budgeted Cost per EDU	FY 18-19 Actual Assessment per EDU	Benefit Factor[3]	Total Benefit Units	Proposed Assessment per Parcel[2]	Assessment Increase / (Decrease) per EDU	Annual Escalation-CPI Increase	Estimated Fund Balance Credit
Prior Sub-Zone											
B-00 Baseline	145	93.1	$5,398	$37.23	$19.51	0.40	57.39	$56.56	$37.05	No	$13,337
B-00 Yarnell	145	54.1	$3,424	$23.61	$11.91	0.23	33.32	$32.84	$20.93	No	$5,857
B-01[5]	55	237.6	$8,184	$148.80	$31.24	1.01	55.54	$144.29	$113.05	No	$0.00
B-02[5]	334	104.3	$23,196	$69.45	$30.14	0.44	148.10	$63.36	$33.22	No	$0.00
B-03[5]	167	67.8	$6,994	$41.88	$7.85	0.29	48.13	$41.19	$33.34	No	$0.00
B-04[5]	10	174.2	$3,261	$326.10	$108.94	0.74	7.41	$105.81	($3.13)	No	$0.00
B-05[5]	55	142.6	$2,612	$47.49	$30.90	0.61	33.32	$86.58	$55.68	No	$8,419
B-07	30	101.6	$3,099	$103.30	$38.30	0.43	12.96	$61.72	$23.42	No	$0.00
B-10[5]	325	313.6	$58,736	$180.73	$46.15	1.33	433.18	$190.47	$144.32	No	$0.00
B-16[5]	86	15.2	$2,504	$29.12	$17.87	0.06	5.55	$9.23	($8.64)	No	$0.00
B-17[5]	53	583.5	$16,380	$309.06	$48.96	2.48	131.43	$354.38	$305.42	No	$0.00
B-20 Baseline	81	107.6	$6,725	$83.02	$82.01	0.46	37.02	$65.32	($16.69)	Yes	$72,965
B-20 Streater	81	80.7	$3,883	$47.94	$32.46	0.34	27.77	$48.99	$16.53	Yes	$9,038

Table 4:
Restructured Zone Detail (Continued)

New Zone B	Assessed Parcel Count	SQFT Landscape / EDU	FY 18-19 Budgeted Annual Costs[1]	FY 18-19 Budgeted Cost per EDU	FY 18-19 Actual Assessment per EDU	Benefit Factor[3]	Total Benefit Units	Proposed Assessment per Parcel[2]	Assessment Increase / (Decrease) per EDU	Annual Escalation-CPI Increase	Estimated Fund Balance Credit
B-21	87	75.1	$6,886	$79.15	$66.14	0.32	27.77	$45.61	($20.53)	Yes	$7,049
B-22	239	32.8	$7,210	$30.17	$23.56	0.14	33.32	$19.92	($3.64)	Yes	$19,096
B-30[5]	46	823.9	$21,005	$456.63	$145.27	3.50	161.05	$500.32	$355.05	Yes	$0.00
B-31	39	625.5	$11,808	$302.77	$204.02	2.66	103.67	$379.84	$175.82	Yes	$8,859
B-34	87	155.2	$6,652	$76.46	$75.85	0.66	57.39	$94.26	$18.41	Yes	$4,317
B-36	7	2115.8	$9,514	$1,359.14	$1,359.11	8.99	62.94	$1,284.88	($74.23)	Yes	$46,475
B-37[5]	38	481.5	$10,023	$263.76	$158.17	2.05	77.75	$292.38	$134.21	Yes	$0.00
B-39[5]	16	0.0	$44,212	$1,449.75	$303.88	0.00	0.00	$0.00	($303.88)	Yes	$0.00
B-43[5]	9	871.2	$5,669	$629.89	$468.56	3.70	33.32	$529.07	$60.51	Yes	$0.00
B-44[5]	25	5366.6	$44,212	$1,768.48	$668.37	22.81	570.17	$3,259.07	$2,590.70	Yes	$0.00
B-47[5]	24	381.2	$5,182	$215.92	$197.30	1.62	38.88	$231.47	$34.17	Yes	$0.00
B-70	80	196.0	$27,773	$347.16	$347.16	0.83	66.64	$119.04	($228.12)	Yes	$27,593
Total	**2,264**				**Cost per Benefit Unit**		**$142.90**				

New Zone C	Assessed Parcel Count	SQFT Landscape / EDU	FY 18-19 Budgeted Annual Costs[1]	FY 18-19 Budgeted Cost per EDU	FY 18-19 Actual Assessment per EDU	Benefit Factor[3]	Total Benefit Units	Proposed Assessment per Parcel[2]	Assessment Increase / (Decrease) per EDU	Annual Escalation-CPI Increase	Estimated Fund Balance Credit
B-08 Highland	58	127.7	$6,723	$115.91	$63.61	0.63	36.38	$81.27	$17.66	No	$9,041
B-08 Slope Maint	13	0.0	$0	$0.00	$227.08	0	0.00	$0.00	($227.08)	No	$82,214
B-15[5]	78	290.4	$9,300	$142.03	$31.82	1.43	111.27	$184.85	$153.03	No	$0.00
B-35[5]	47	203.9	$3,625	$105.06	$54.88	1.00	47.08	$129.79	$74.91	Yes	$0.00
B-59	3	290.4	$240	$1,015.67	$982.75	1.43	4.28	$184.85	($797.90)	Yes	$4,542
Total	**199**				**Cost per Benefit Unit**		**$129.58**				

Table 4:
Restructured Zone Detail (Continued)

New Zone D	Assessed Parcel Count	EDU Basis	FY 18-19 Budgeted Annual Costs[1]	FY 18-19 Budgeted Cost per EDU	FY 18-19 Actual Assessment per EDU	Benefit Factor[4]	Proposed Assessment per Parcel[2]	Assessment Increase / (Decrease) per EDU	Annual Escalation-CPI Increase	Estimated Fund Balance Credit
B-09[5]	4	Frontage Linear Feet	$14,135	$9.71	$3.75	0.228	$20.27	$10.56	No	$0.00
B-24	1	Frontage Linear Feet	$4,593	$13.71	$13.06	0.006	$2.22	($11.49)	Yes	$43,484
B-25	1	Frontage Linear Feet	$7,655	$4.57	$4.35	0.036	$2.81	($1.76)	Yes	$85,396
B-29[5]	2	Frontage Linear Feet	$6,642	$6.50	$4.02	0.036	$4.61	($1.89)	Yes	$0.00
B-48	42	Per Acre	$68,546	$643.68	$613.55	0.481	$584.24	($59.44)	Yes	$78,713
B-54	9	Frontage Linear Feet	$12,289	$1.29	$1.23	0.119	$1.62	$0.32	Yes	$31,750
B-61	5	Per Acre	$7,725	$1,268.47	$960.92	0.071	$1,505.95	$237.48	Yes	$0.00
B-63	1	Per Parcel	$7,804	$7,804.00	$7,432.00	0.023	$2,974.46	($4,829.54)	Yes	$16,156
Total	**65**		**$129,389**							

[1] Total Annual Expenses include all expenses but excludes Negative Fund Balance Transfers/General Fund Contributions. Includes additional Fund Balance Contributions to build up Fund Balance. Additional Fund Balance contributions in districts B-20 Baseline, B-24, B-25, B-26,B-34, B-36, B-48, B-54, B-55, B-59, B-61, B-63, B-70.

[2] Proposed Assessment per EDU = Standard Current Cost per EDU for the Zone multiplied times the Benefit Factor for the sub-zone.

[3] The area Benefit Factor is the ratio of the landscaped area within a specific area per developed parcel to the average landscaped area per developed parcel for all areas within the benefit zone.

[4] The area Benefit Factor is the ratio of the maintained landscaped area within a specific sub-zone to the total maintained landscaped area within the new Benefit Zone D

[5] The assessments are less than the budgeted costs and the City is subsidizing the assessment with a contribution.

Table 5 summarizes the number of parcels incurring a change in assessment. The "Proposed v. Actual Levy" column indicates the number of parcels which would receive decreases or increases in assessment as compared to the FY 2018/19 actual levy. The "Proposed v. Full Cost" column indicates the number of parcels which would receive decreases or increases in assessment as compared to the per parcel actual full cost of services without general fund subsidy or draw on fund balance.

Since the City is proposing to establish a new LLMD, a Notice and Ballot will be mailed to each property owner that would be assessed. The City could move forward to establish the new LLMD if the majority of the ballots returned (weighted by assessment amout) support the establishment of the new LLMD. If a majority if the ballots returned were in opposition to the formation of the new LLMD, the City Council would be prohibitted from moving forward on the basis that a "Majority Protest" was received. However, the City could continue to levy the existing assessments, and continue to make contribtuions for those sub-zones where the assessment revenue received is less than the costs of the annual maintenace services, or they could reduce maintenance levels to match each sub-zones ability to fund the services provided. This would result in a substantial reduction in services levels for a number of sub-zones.

Table 5:
Assessment Change Summary

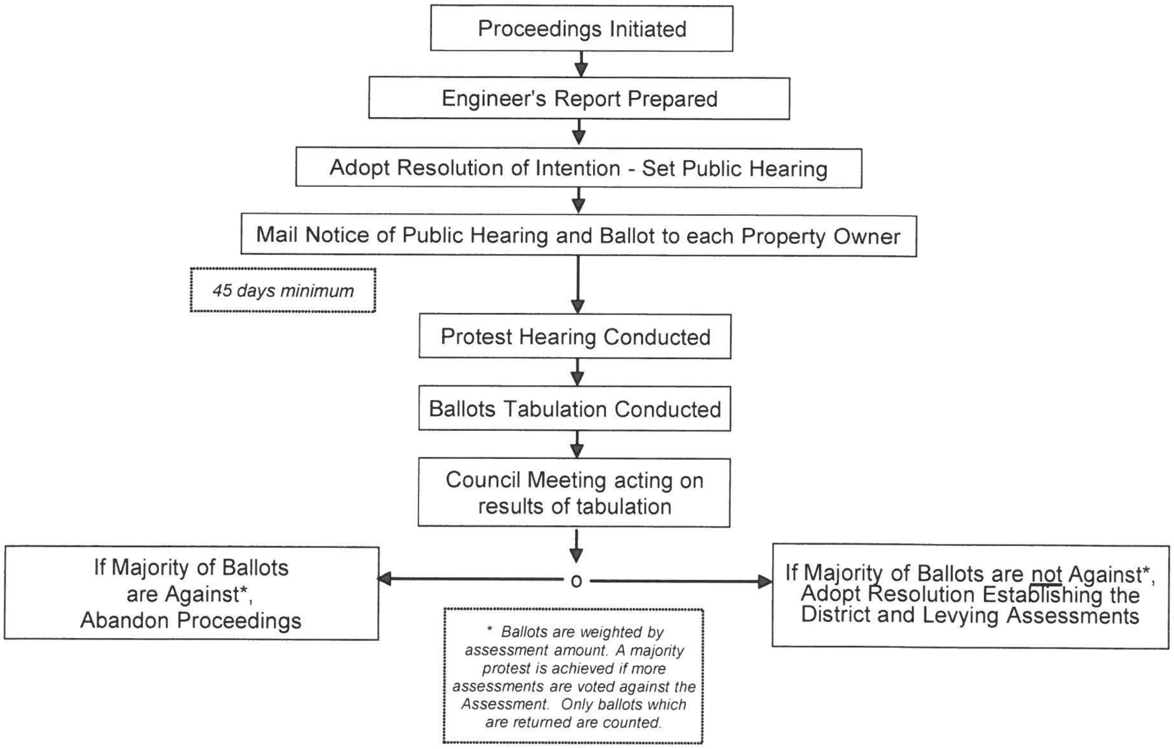
Description	Proposed v. Actual Levy	Proposed v. Full Cost
	Parcel Count	Parcel Count
Total Assessments on Parcels with Reduced Assessments	783	1,423
Total Assessments on Parcels with Assessments Increasing 0%-25%	125	938
Total Assessments on Parcels with Assessments Increasing 26%-50%	67	223
Total Assessments on Parcels with Assessments Increasing > 50%	1,920	311

IMPLEMENTATION:

In order to proceed, the Council will need to adopt a resolution of initiation, known as "Proposition 218 proceedings", and order Harris, as the Assessment Engineer, to prepare the new Engineer's Report. The Engineer's Report will include information about what types of public improvements will be serviced and maintained, provide a cost estimate for such services, an assessment diagram showing the boundaries of the District and which property may be subject to the assessment, provide an assessment methodology, and an assessment roll which lists each parcel and the proposed annual assessment amount.

Following the preparation of an Engineer's Report, the City Council will need to preliminarily approve the Engineer's Report and adopt a Resolution of Intention which sets the time and place of the public hearing. At least 45 days prior to the public hearing, mailed notices and ballots will be sent to each subject property informing each property owner of the public hearing and purpose of the ballot. At the designated City Council meeting, the public hearing will give persons in attendance the opportunity to hear and be heard, the hearing will be conducted and after the public hearing is closed, ballots can be tabulated that evening or the following day depending on the number of ballots returned. Ballots are weighted by assessment amount ($1.00 = 1 vote). If a majority of the returned ballot assessments are not against the proposed changes to the District, the changes will be approved and the City Council will adopt a Resolution Approving the changes to the District and the ability to levy assessments. If the majority of the returned ballot assessments are opposed to the increase, no changes are implemented.

The flowchart below summarizes the public process for your reference:



In our experience, for a successful outcome, it is essential to provide community meetings and/or polling to educate the public as to why the changes are being proposed. This can be done while the report is being prepared. This also gives time for any comments to be considered and incorporated prior to preliminarily approving the Engineer's Report.

The following schedule is proposed if it is desired to proceed so that if a majority approval is received by the property owners the changes can be implemented for the 2019-2020 fiscal year levy in August.

Task	Est. Date	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Notice to Proceed / Initial Meeting	Dec									
Methodology Analysis	Jan									
Research and Database Update	Jan									
Present Options to Council	Feb									
Notice to Proceed with 218 Process	Mid-Feb									
Polling/Community Outreach	late Feb-Apr									
Draft Engineer's Report	Apr									
Review comments with City	late-Apr									
Final Engineer's Report	Apr-May									
Resolution of Intention	14-May-09									
Prepare/Mail Ballots	by 24-May									
45-day Noticing Period	thru 9-Jul									
Public Hearing	9-Jul									
Tabulate Ballots	10-Jul									
Council Mtg - Accept Results - Levy Asmts	23-Jul									
Submittal to County	by10-Aug-09									

Landscape and Lighting District No. 96-1
City of Highland, County of San Bernardino
State of California

Proposed Landscape Zone Restructuring
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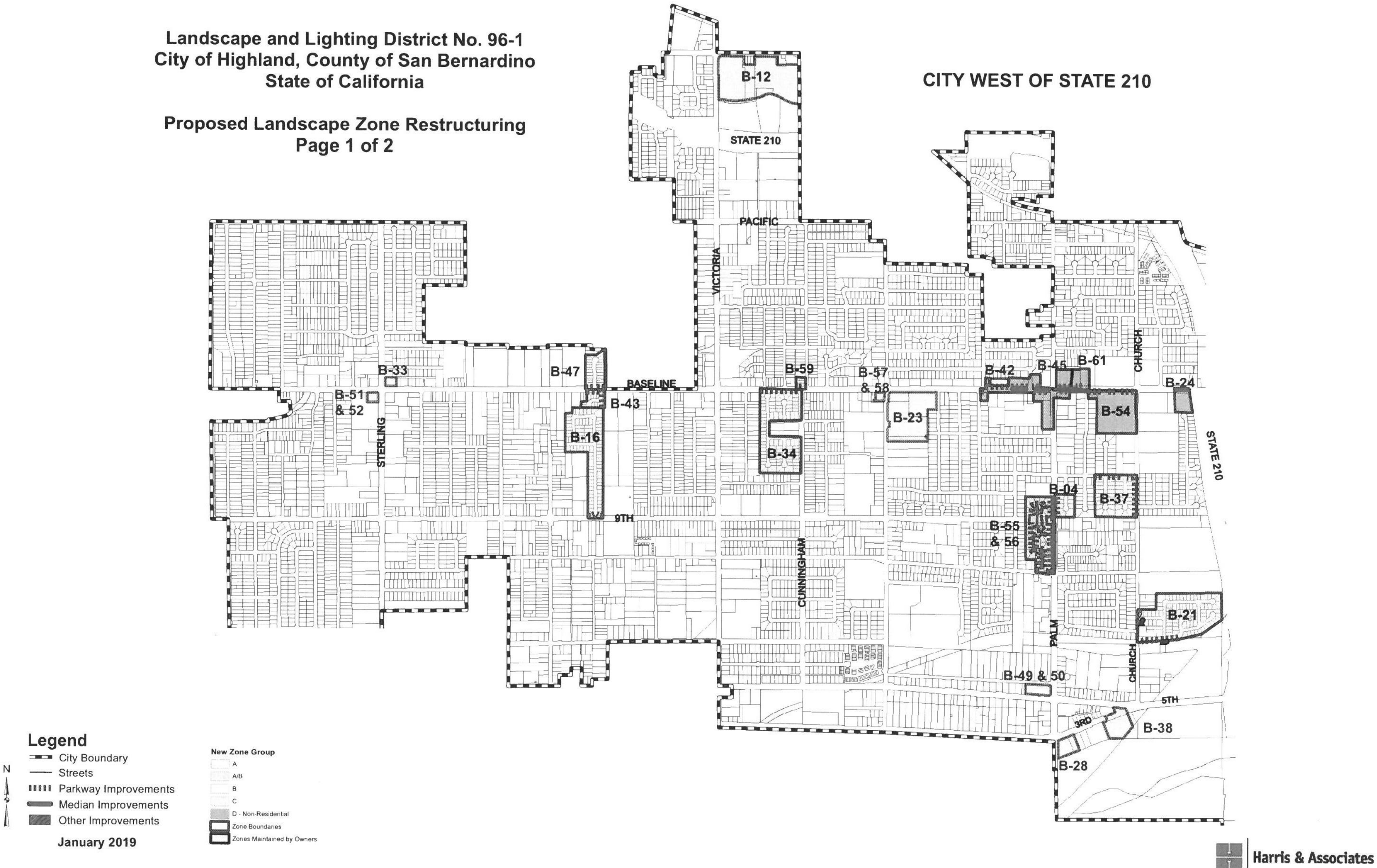

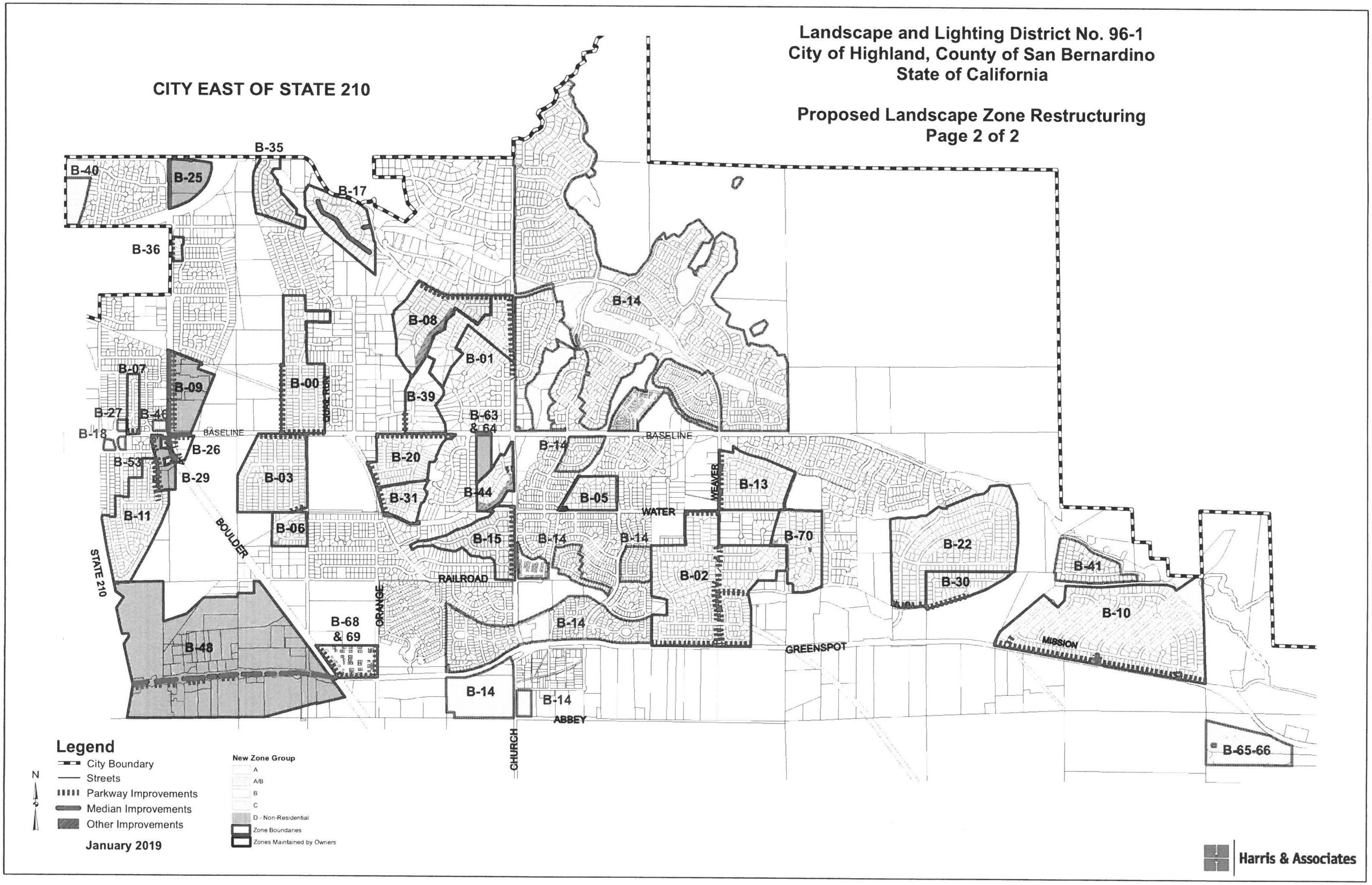

Landscape and Lighting District No. 96-1
City of Highland, County of San Bernardino
State of California
Proposed Landscape Zone Restructuring
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City Boundary
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Parkway Improvements
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Other Improvements
January 2019
New Zone Group
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A/B
B
C
D - Non-Residential
Zone Boundaries
Zones Maintained by Owners
Harris & Associates

Agenda Item #3

Memorandum
City of Highland

DATE: January 12, 2021
TO: Finance Subcommittee
FROM: Kim Stater, Assistant Community Development Director KS
SUBJECT: Third Round Community Development Block Grant COVID-19 Funding; CDBG-CV3

The City of Highland will receive $287,854 in the third round of CDBG COVID-19 funding. The City must submit its application(s) no later than January 28th for funding in the spring. Staff recommends the Finance Subcommittee allocate these funds to a Rental Assistance and/or Utility Assistance Program.

Several cities are offering rental assistance to pay for all or a portion of late rent payments for residents whose income has been negatively affected by COVID-19. In researching programs, staff found the City of Glendale's program to be feasible in our area. Here is a summary of their guidelines:

Emergency Rental Assistance Program - City of Glendale
Provides rent payments to property owners on behalf of an income-eligible household, up to $750 per month, for two months.
Who is Eligible:
Tenants needing assistance to maintain housing and/or reduce delinquent rental payments. They:

1. Must be a City resident.
2. Must be renting a legal rental unit (or room sublease) and contain a current lease or sublease agreement.
3. Must qualify as a Moderate-Income Household (below 80% Median Family Income).

2020 Income Category	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Moderate Income (below 80% MFI)	$63,100	$72,100	$81,100	$90,100	$97,350	$104,550	$111,750	$118,950

(** Highland's criteria would be adjusted for San Bernardino County income guidelines)

4. Must be economically impacted by the COVID-19 pandemic. Impacts can include any of the following:
   - Loss of income due to a reduction of paid work hours due to COIVD-19 (i.e. being laid off, loss of work hours, income reduction, etc.)
   - Loss of income due to sickness with COVID-19 or caring for a household/family member who is sick from COVID-19.
   - Extra out-of-pocket expenses due to the impact of COVID-19 (i.e. childcare due to school closure, medical expenses, or expenses incurred to comply with government issued orders)
   - Loss of income due to a requirement from a government health order to stay home, self-quarantine, or avoid congregating with others during the state of emergency.
   - Loss of income due to other factors related to the COVID-19 emergency.

5. Must not have already received emergency relief funding from a local, state, or federal agency for the same purpose (federal Stimulus Check issued by the IRS are exempt from this rule).
6. Must not have any familial relationship to the owner of the rental unit.
7. Must not be enrolled in the Section 8 program, currently residing in a City sponsored affordable housing project, or enrolled in any other type of housing subsidy program.
8. Per federal regulations, applicants applying for assistance must hold legal residency status in order to qualify.

If Highland followed these guidelines, it would be possible to fund approximately **190 families** ($287,854 total allocation / $750 month / 2 months max). It would also be possible to transfer excess funds from the Senior Grocery Delivery Program which is not being fully utilized. A surplus of approximately $35,000 could assist an additional 20 families.

If the City chose to fund a Utility Assistance Program, staff recommends guidelines similar to the City of Santa Ana. Santa Ana offers a maximum allocation of $500/family for utility assistance.

Utility Assistance Grant - City of Santa Ana

1. $500 for residents impacted by COVID-19 and require assistance towards meeting their financial obligations related to eligible Utilities.
2. Residents Must Have Been Affected by COVID-19
3. The residents must submit an attestation stating that they have a financial need because of COVID-19 in one of the following ways:
   - Twenty-five percent (25%) reduction in household income; or Job Loss
4. Eligibility Requirements
   - Living at a physical household address located within the city
   - Have been financially affected by COVID-19
   - Have past-due utilities
5. Residents can use the funding on the following eligible utilities:
   - Electricity (Southern California Edison)
   - Natural Gas (Southern California Gas Company)
   - Water bill (water, sewer, refuse and sanitation)
   - Phone service (landline, VOIP, cellular phone, smartphone)
   - Internet access (DSL, cable, satellite, smartphone)
6. Disbursement of Funds - awardees will receive the approved funding in one disbursement.

Agenda Item #4

Memorandum

City of Highland

DATE: January 12, 2021
TO: Finance Subcommittee
FROM: Kim Stater, Assistant Community Development Director KS
SUBJECT: Reallocation of 1st Round Community Development Block Grant COVID-19 Funding; CDBG-CV

In May 2020, the Finance Subcommittee allocated the City's first round of CDBG COVID-19 funding to three programs:

Project Title	Allocation Amount	Funds Used	Funds Remaining
COVID-19 Antibody Testing	200,000	0	200,000
Grocery Delivery Service Program	40,000	600	39,400
Readymade Meals "Grab & Go" for Seniors	59,880	36,982	22,898
Total	**$299,880**	**$37,582**	**$262,298**

The Senior Center has been highly successful with the 'Readymade Meal Grab & Go Lunch' program which offers seniors and low/moderate income citizens a free lunch that can be picked up in a 'drive-through / grab-and-go' fashion at the Senior Center, Monday through Friday.

The Food Grocery Delivery Program that offers a free subscription to grocery delivery companies has been mildly successful with 6 subscriptions provided to date.

The COVID-19 Antibody Testing has been unneeded, and no funds expended. Staff recommends reallocating the remaining $200,000 to the Highland Senior Center's Readymade Food Program. With these funds, the Senior Center could add a dinner option to their existing grab and go lunch program. The Center would order dinners from local restaurants at a cost of $10 each. This would allow the Senior Center to serve 60 lunches and 60 dinners, Monday through Friday, through September 2021.