



# West-Side Parks, Landscaping, and Lighting Districts

City Council Workshop  
February 18, 2015

# Workshop Agenda and Goals

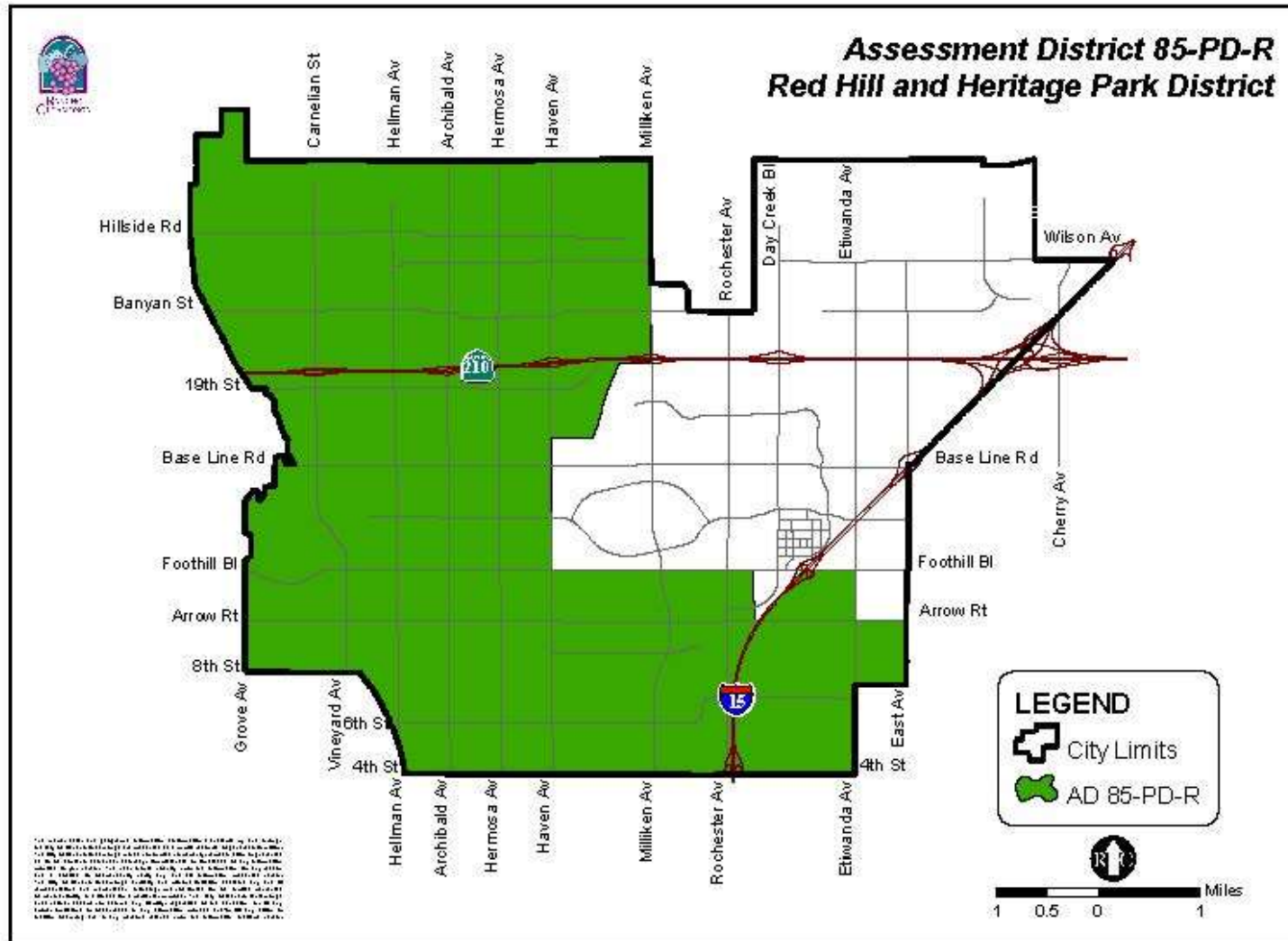
- Review the challenges and public information efforts in the West-Side Districts to date
- Discuss next steps – recommendation is consider a single West-side CFD on a November 2015 ballot

*Discussion and questions are expected – no decisions anticipated until March 4.*

# Background on Assessment District Structures

- Key to city's development over the years in a post Prop-13, low-property tax city
- Purpose to act as an alternative to HOA's and enhance property values through the maintenance of parks, landscaping, street lighting and other common area improvements
- Passage of Prop 218 in 1996 ended City's ability to adjust rates incrementally over time
  - Older districts began developing structural deficits as a result
- Good progress has been made since 2009 to address district challenges – LMDs 2, 4, 6, and 8
- Became a Council Goal in 2013– develop a fiscal sustainability plan for all of the City's special districts

# PD 85



# West-side Districts Summary

- 28,400 parcels
- 10 parks – Heritage, Red Hill, Bear Gulch, East and West Beryl, Old Town, Church Street, Golden Oaks, Hermosa, Lions Parks – plus trails, landscaped areas (LMD 1 and PD 85)
- 6,000 streetlights (SLD 2 and 6)
- Dissolve other small/overlapping districts (LMD 3a, 3b, and 5)
- Rates the same since 1993
- Budgets currently balanced due to significant maintenance cuts made to date
- Currently “D” level service in most cases



*West Beryl Park, looking East*

# Story Maps of Neighborhood Improvements

## Lions and Red Hill Park and Lighting Neighborhood

### Benefits

- ✓ Ensuring Red Hill Park's sports fields, sidewalks and beautiful landscaping is kept clean and well-maintained



## Lions and Red Hill Park Lighting Neighborhood

Maintaining neighborhood streets, sidewalks south of Foothill Boulevard, west of Hellman Avenue and east of Madrone Avenue is not a part of the district boundaries. The improvements maintained include 2,069 local residential street lights, sidewalks and community trails, street landscaping and Lions and Red Hill neighborhood parks.



1 Red Hill Park: Monument



2 Red Hill Park: Shaded Picnic and Barbecue area



3 Red Hill Park: North Playground Equipment



4 Red Hill Park: North Playground Swings



5 Red Hill Park: Lighted Baseball Field



6 Red Hill Park: Lighted Baseball Field



7 Red



# West-Side Efforts to Date

*For details, see staff report*

- September 2013: Council workshop to discuss concept of 8 neighborhood districts to replace old LMD's with boundary overlap (PD 85, LMD 1, SLD 2, etc)
- Fall 2013: Extensive community outreach regarding 8 districts plan
- February 2014: Community survey results show lack of viability. Council directs more engagement for CY 2014 and approves budget-balancing measures.
- May 2014: Red Hill Lake is drained and cleaned.
- December 2014 – Jan 2015: Community surveyed again on 8 districts plan, CFD alternative.



# Westside of City of Rancho Cucamonga

Telephone Surveys  
Regarding Potential LMD and CFD

Executive Summary

February 2015





# Background

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- ▶ Faced with budget shortfalls and assessments for lighting and parks maintenance that had not increased in over than 20 years, the City of Rancho Cucamonga found themselves at a crossroads: either raise new funds or cut services to the westside of Rancho Cucamonga.
- ▶ EMC Research was hired in early 2014 to examine feasibility of a LLAD in the westside of the City. EMC conducted a survey of residential property owners in 6 of 8 proposed assessment districts
- ▶ At the time, the research established that although the funded projects were important to homeowners, support was low.
- ▶ In the year following the baseline survey, the City conducted outreach and implemented moderate service cuts, and made adjustments to proposed amounts in the Heritage district.
- ▶ In December of 2014 EMC conducted a tracking survey in 4 of 8 proposed to determine if attitudes towards a proposed LLAD had changed.
- ▶ Additionally, a separate survey of likely voters in the westside of Rancho Cucamonga was conducted to test the viability of a Community Facilities District (CFD) as an alternative.





# Residential Property Owner Surveys



# Detailed Methodology – Residential Property Owners

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- ▶ Two telephone surveys of single family residential and condo owners in Beryl, Heritage, Hermosa/Church, and Lions/Red Hill\*.
- ▶ Baseline study was conducted January 6<sup>th</sup>-19<sup>th</sup>, 2014.
- ▶ Tracking study December 10<sup>th</sup>-21<sup>st</sup>, 2014.
- ▶ Random sample drawn from a matched phone list of property owners, which was a subset of a larger list of property owners provided by the City.
- ▶ January sample of 750 interviews and December sample of 811 total interviews.
- ▶ Conducted in both Spanish and English.

*\*The initial baseline study included districts Bear Gulch and Old Town/Golden Oak. For purposes of cost and methodology, these two districts were not included in the track survey. To make data directly comparable, all baseline data was reweighted to exclude these two districts. If data from this report is compared to the original deliverables issued for the baseline, there may appear slight differences as a result.*

*Please note that due to rounding, some percentages may not add up to exactly 100%.*



## Interviewing Plan by District – Residential Property Owner Surveys

District	Condo/ SFR Parcels	Condo/ SFR % of Vote	Dec 2014	Margin of Error
Heritage	5,372	98%	250	±6.0%
Beryl	3,562	87%	150	±7.7%
Hermosa/Church	4,726	78%	175	±7.3%
Lions/Red Hill	7,974	69%	175	±6.8%
<b>TOTAL</b>	<b>21,634</b>		<b>750</b>	<b>±3.3%</b>
<b>EXCLUDED:</b>				
Old Town/Golden Oak	2,157	58%	0	<u>n/a</u>
Bear Gulch	952	35%	0	<u>n/a</u>
Gentry	144	4%	0	<u>n/a</u>
South Rancho	1,229	8%	0	<u>n/a</u>



# Key Findings – Residential Property Owner Surveys

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- ▶ Even after outreach, awareness and support for the assessment has remained virtually unchanged.
- ▶ After additional information, support for the assessment increases but still remains below the 50% threshold needed to pass.
- ▶ Residents continue to be happy with the condition of their parks.
- ▶ Anti-tax sentiment persists; more than half of residents agree they are likely to oppose a new tax measure no matter what it is for.
- ▶ Property owners continue to be unaware of the current maintenance assessment amount.
- ▶ Residential property owners continue to strongly support projects that would be funded by the assessment, particularly those aimed at safety and maintenance.

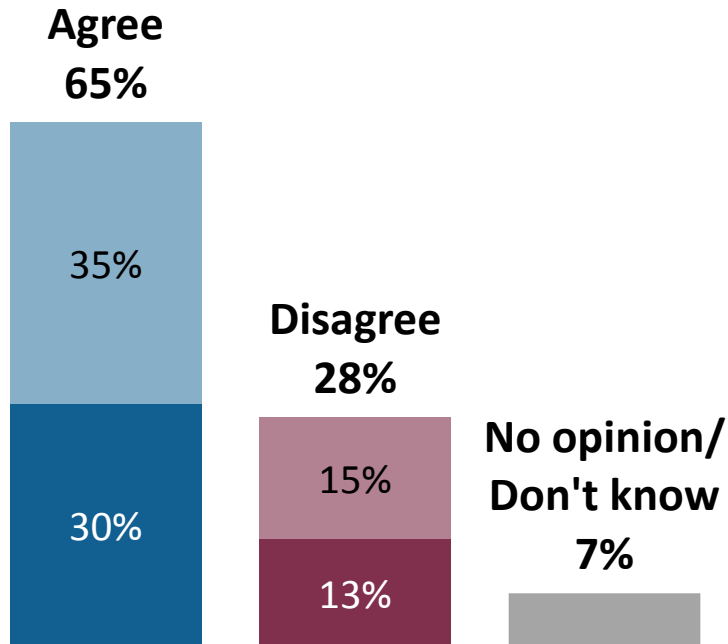


# Trust City on Taxes

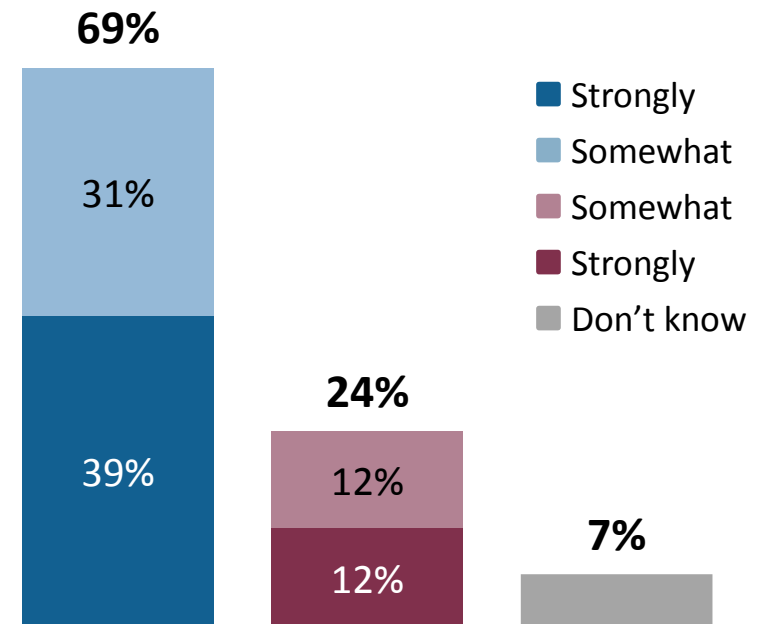
*Trust in the City remains very high.*

## Trust City to Properly Manage Tax Dollars

### Res. Owner Baseline



### Res. Owner Track



- Strongly
- Somewhat
- Somewhat
- Strongly
- Don't know

Q11. Please tell me if you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each of the following statements: I trust the City of Rancho Cucamonga to properly manage tax dollars.



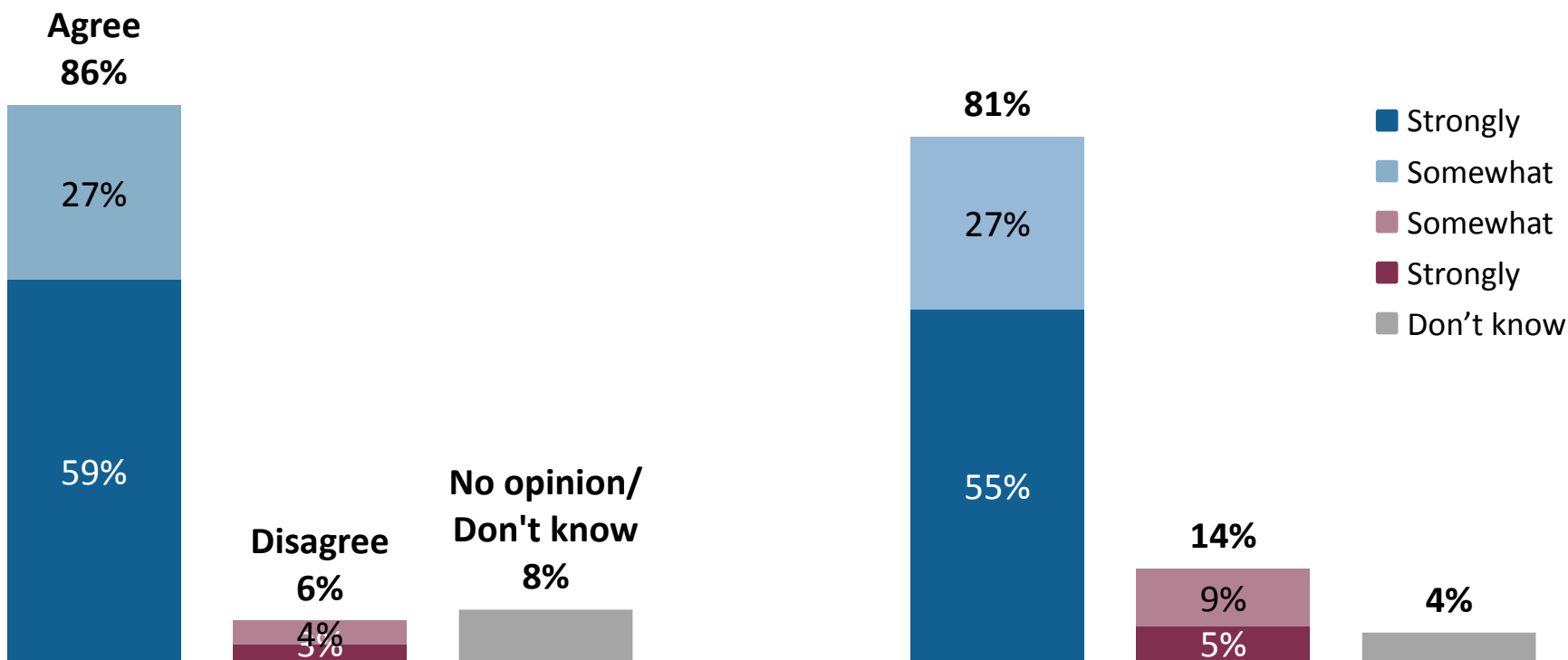
# Perception of Maintenance Needs

*The vast majority feel parks, trails, and facilities are well maintained. There is a slight uptick in disagreement but they remain a minority.*

## Parks, Trails, Rec Adequately Maintained

Res. Owner Baseline

Res. Owner Track



Q12. Please tell me if you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each of the following statements: For the most part, the parks, trails, and recreation facilities in my neighborhood are adequately maintained.



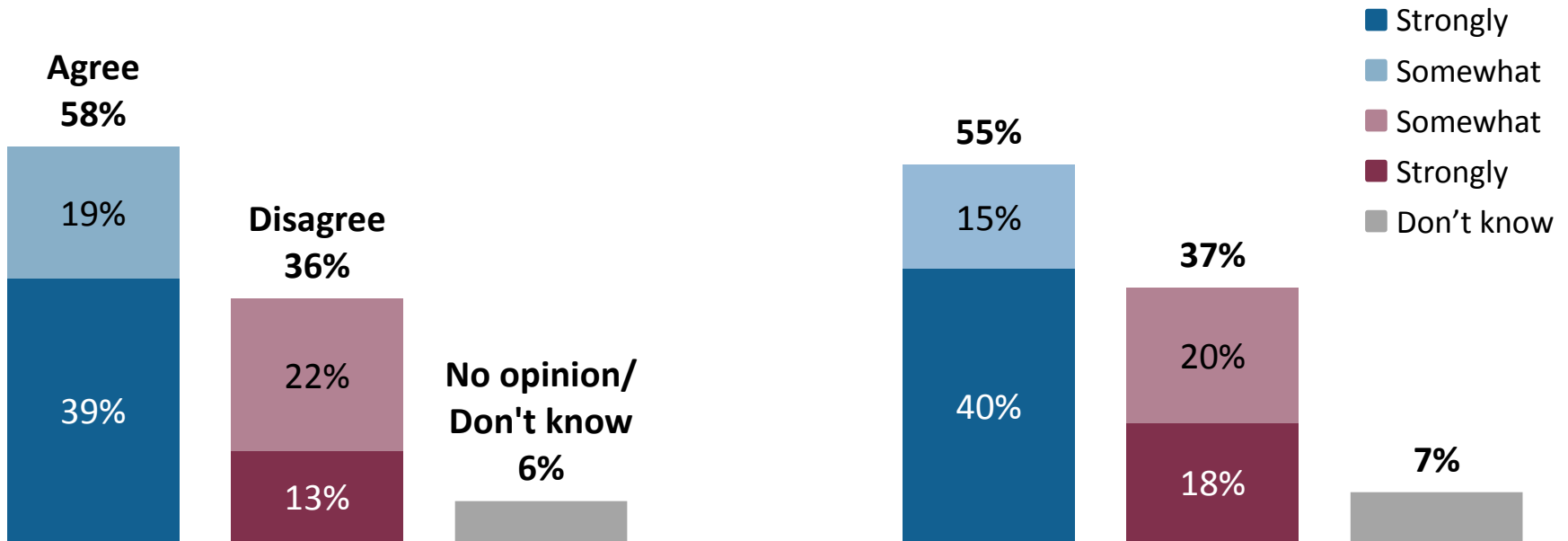
# Perception of Tax Burden

*Anti-tax sentiment remains high.*

## Already Too Many Taxes/Fees

### Res. Owner Baseline

### Res. Owner Track



Q10. Please tell me if you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each of the following statements: There are already too many taxes and fees in Rancho Cucamonga; I would oppose any assessment increase regardless of what it's used for.



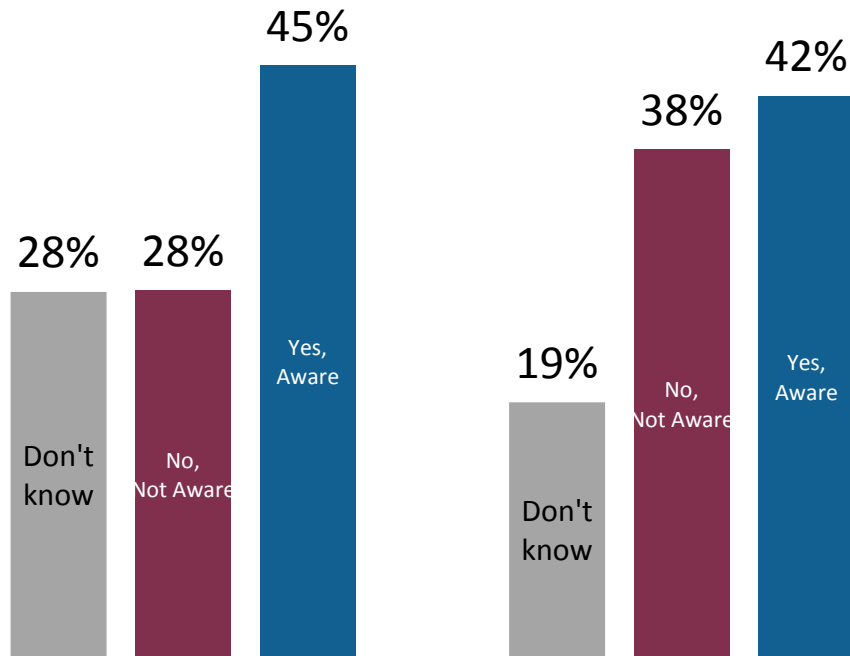


# Awareness of Current Assessments – Prop. Owners

*Awareness of the current assessment remains low.*

**Res. Owner Baseline**

**Res. Owner Track**



	Res. Owner Baseline	Res. Owner Track
Aware, indicate amount	22%	20%
Aware, don't know amount	78%	80%

Q7. As you may know, some cities or neighborhoods have property assessments to pay for things like maintenance and upkeep of parks, street lights, greenery and trails in the area. Is there or is there not such an assessment on your property?

Q8. (IF YES) How much is the assessment each year?



# LLAD Ballot Language

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*Assessment districts fund the continued maintenance of local parks, street lighting, landscaping and trails. The amount of these assessments has not changed since 1993, while maintenance costs, especially for water and electricity, have increased substantially resulting in significant cutbacks in service levels. The existing annual assessments are no longer sufficient to maintain service levels.*

*The City is simplifying its assessment district program by replacing multiple districts with a single neighborhood assessment district to fund the costs of maintaining and servicing neighborhood parks, street lighting, landscaping and trails in your local community.*

*Under this measure, your proposed maximum assessment would be [**PROPOSED AMOUNT**] dollars per year with a cost-of-living adjustment capped at no more than 3 percent per year.*



# Proposed Assessment Amount

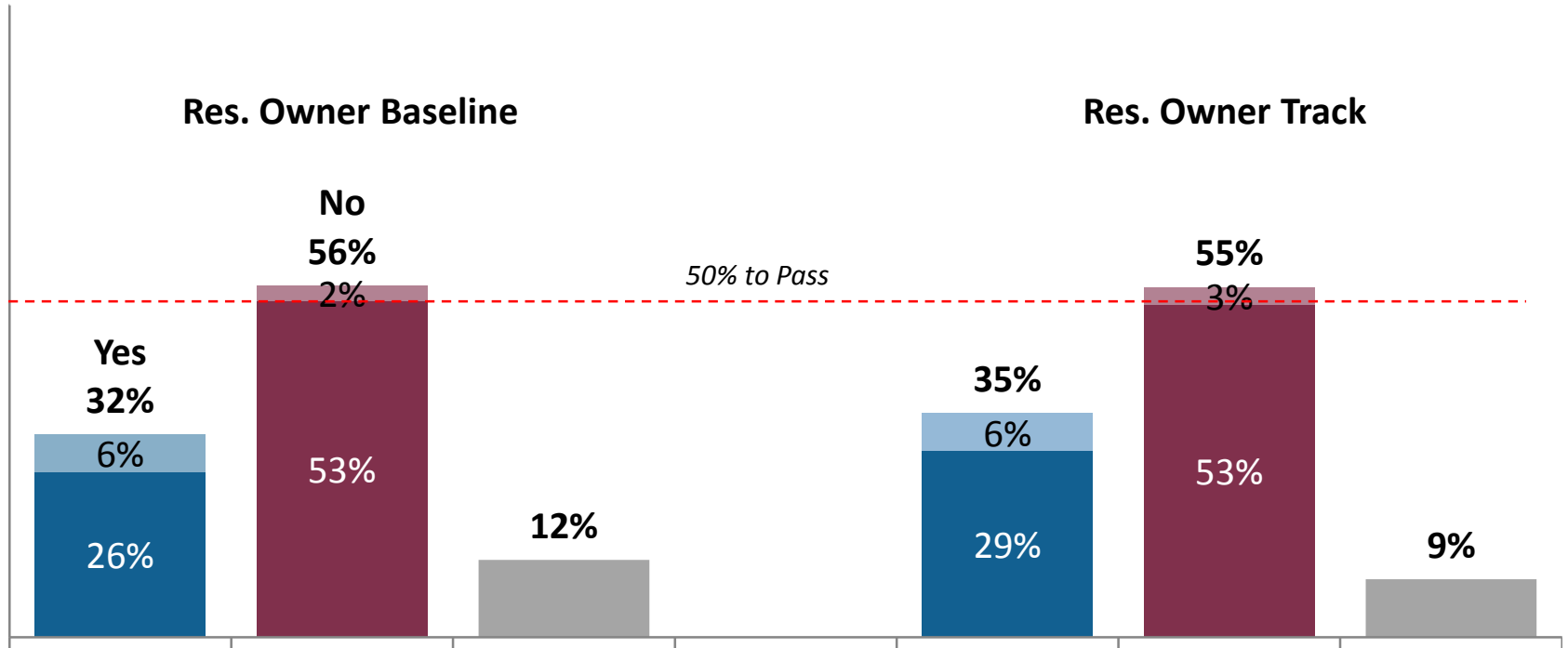
*The majority heard an assessment in the \$100-\$149 range, but 4-in-ten heard a rate above \$200.*

District	Amount of \$100-\$149	Amount of \$150-\$199	Amount of \$200+
Overall	59%	1%	40%
Beryl	-	8%	92%
Heritage	-	-	100%
Hermosa/Church	100%	-	-
Lions/Red Hill	100%	-	-



# LLAD - Initial Support

*Support for the proposed LLAD remains unchanged from the December baseline study.*

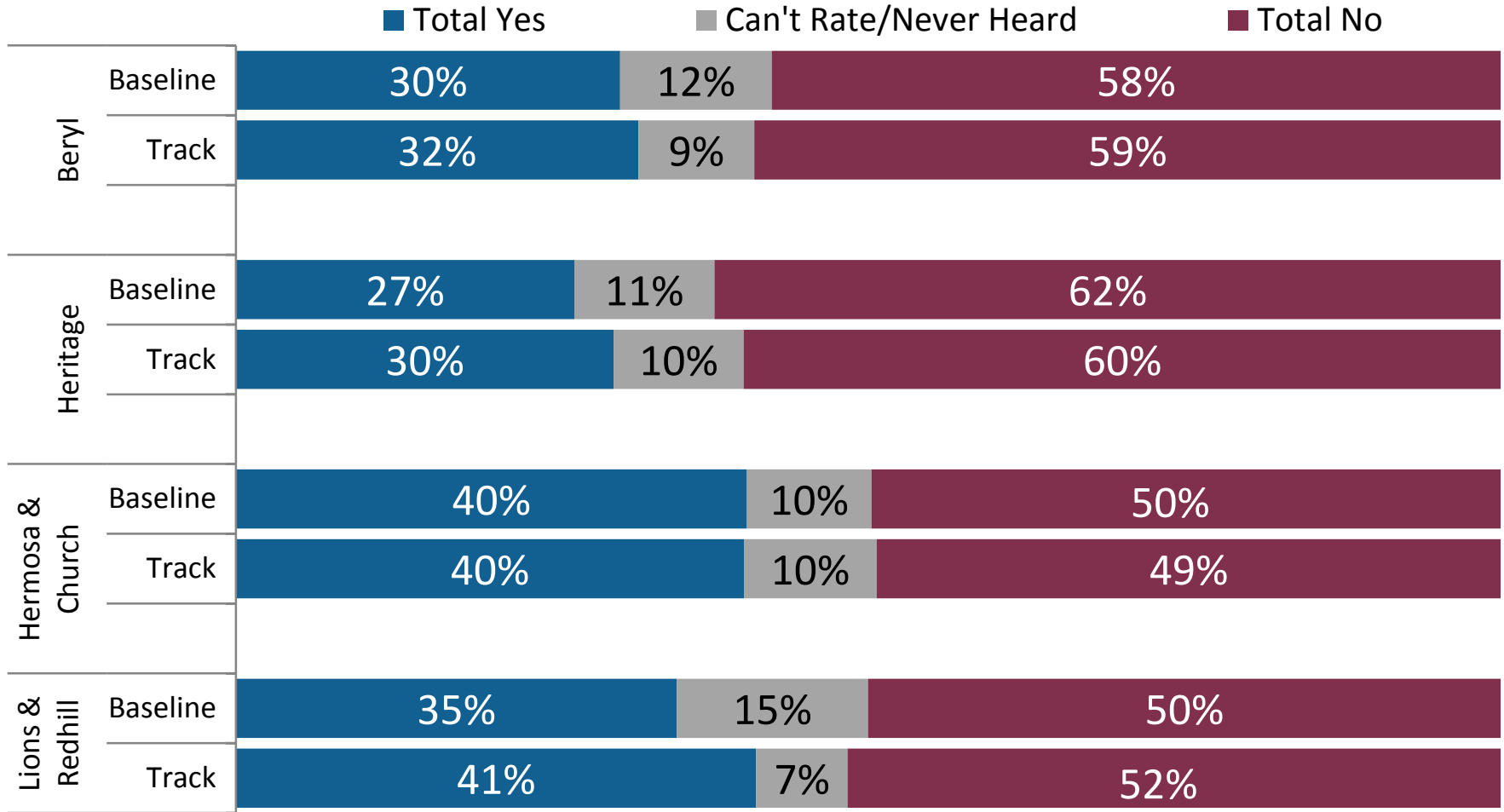


Q9. If the election were held today, would you vote to YES to SUPPORT or NO to OPPOSE the proposed assessment and annual cost of living adjustments for maintaining the parks, street lighting, landscaping, and other improvements that benefit your parcel.



# LLAD Initial Support - by District

*Support is slightly increased in most districts, but it is still well below a majority. Heritage is the only district in which the proposed assessment amount had been lowered for most property owners.*

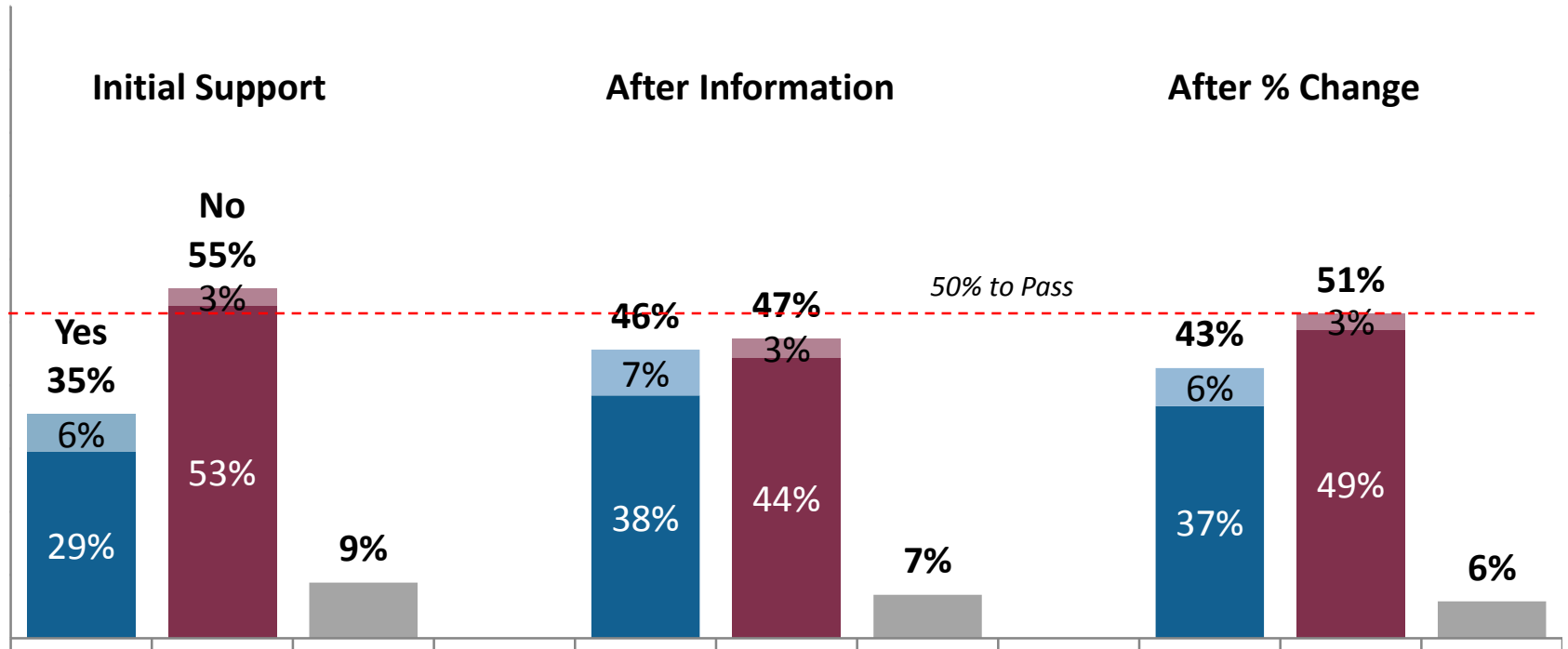


Q9. If the election were held today, would you vote to YES to SUPPORT or NO to OPPOSE the proposed assessment and annual cost of living adjustments for maintaining the parks, street lighting, landscaping, and other improvements that benefit your parcel.



# Support After % Change Info – Property Owners

After hearing the percent change of their assessment, property owners' support drops.



Q33. This assessment represents an **[increase/decrease]** in your assessment of **(percent)** to fund the continued maintenance of a variety of improvements, including local parks, street lighting, landscaping and trails that benefit properties and improve the quality of life for our neighborhood communities...





# CFD Voter Survey



# Detailed Methodology – CFD Voter

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- ▶ Telephone survey of voters living in the westside of Rancho Cucamonga
- ▶ 300 completed interviews
- ▶ Margin of error  $\pm 5.7$  percentage points
- ▶ Conducted January 13<sup>th</sup>-17<sup>th</sup>, 2015
- ▶ Conducted by trained, professional interviewers

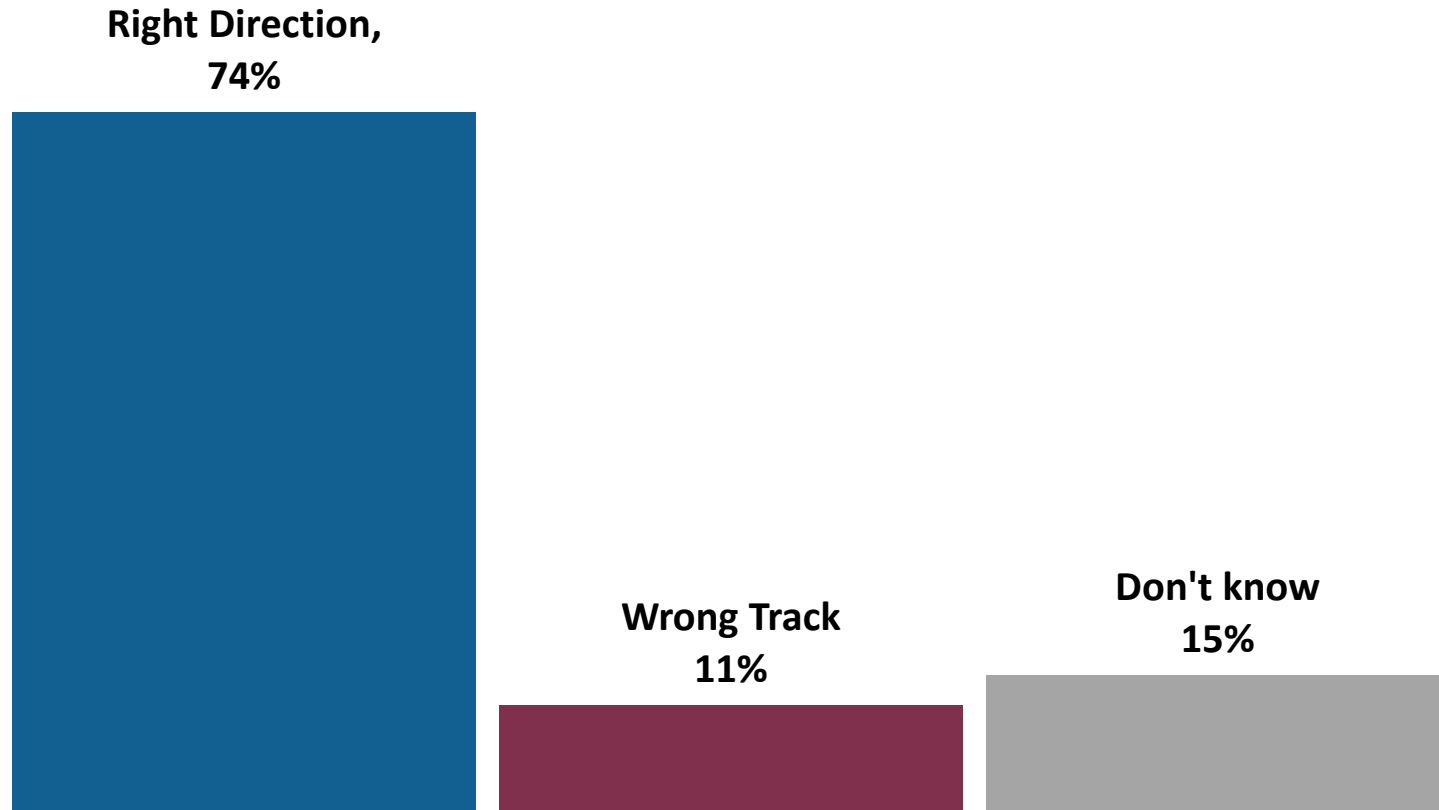
*Please note that due to rounding, some percentages may not add up to exactly 100%.*





# Direction of Rancho Cucamonga

*Optimism among likely westside voters is strong.*



Q6. Do you feel that things in Rancho Cucamonga are generally going in the right direction or do you feel things have gotten pretty seriously off on the wrong track?



# CFD Ballot Language

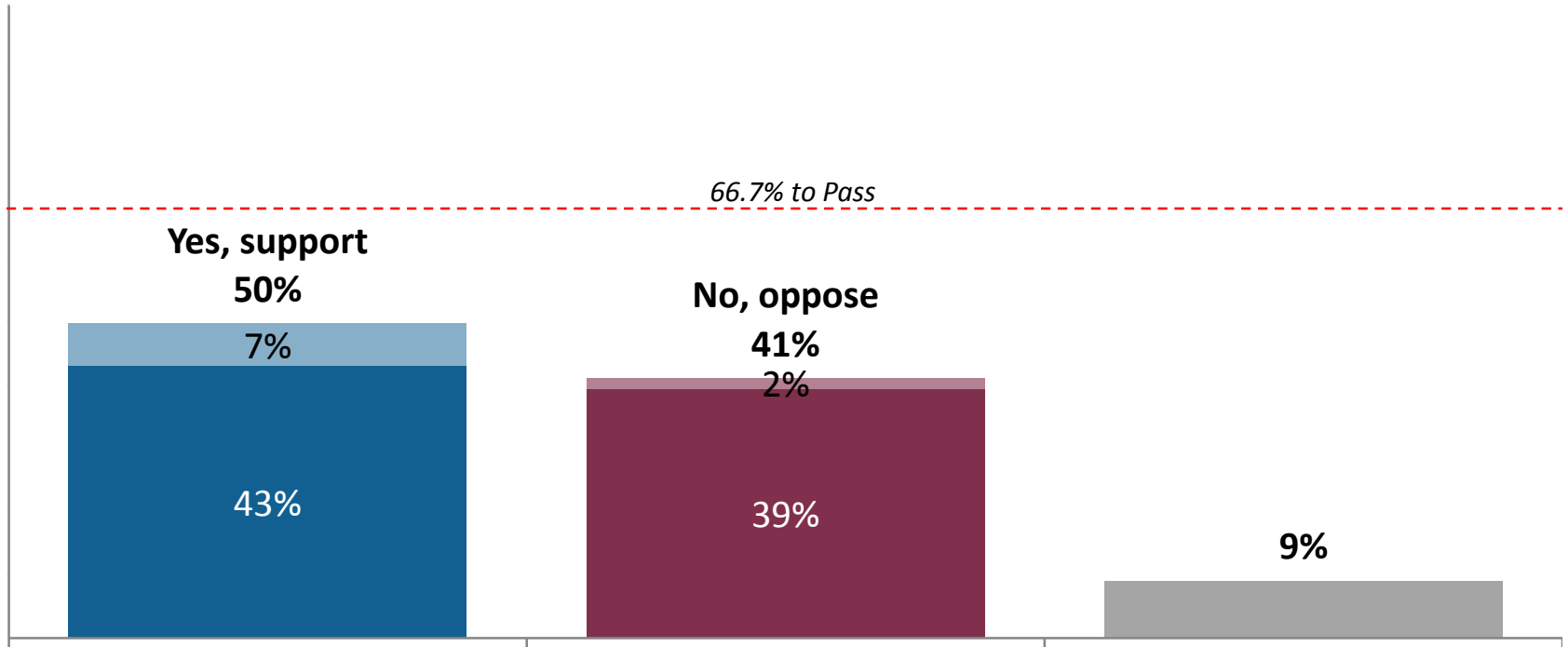
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*“Shall the City of Rancho Cucamonga be authorized to replace existing landscape maintenance and street lighting assessments with a special tax to be levied as provided in the rate and method of apportionment by Community Facilities District No. 2015-01 to maintain and improve park and recreational facilities at Red Hill, Heritage, Beryl, Old Town, Golden Oak, Bear Gulch, Hermosa, and Lions parks, as well as to maintain trails, landscaping and street lighting?”*



# Initial Vote - CFD

*Only a simple majority of westside voters support the CFD initially, far below the two-thirds needed to pass.*

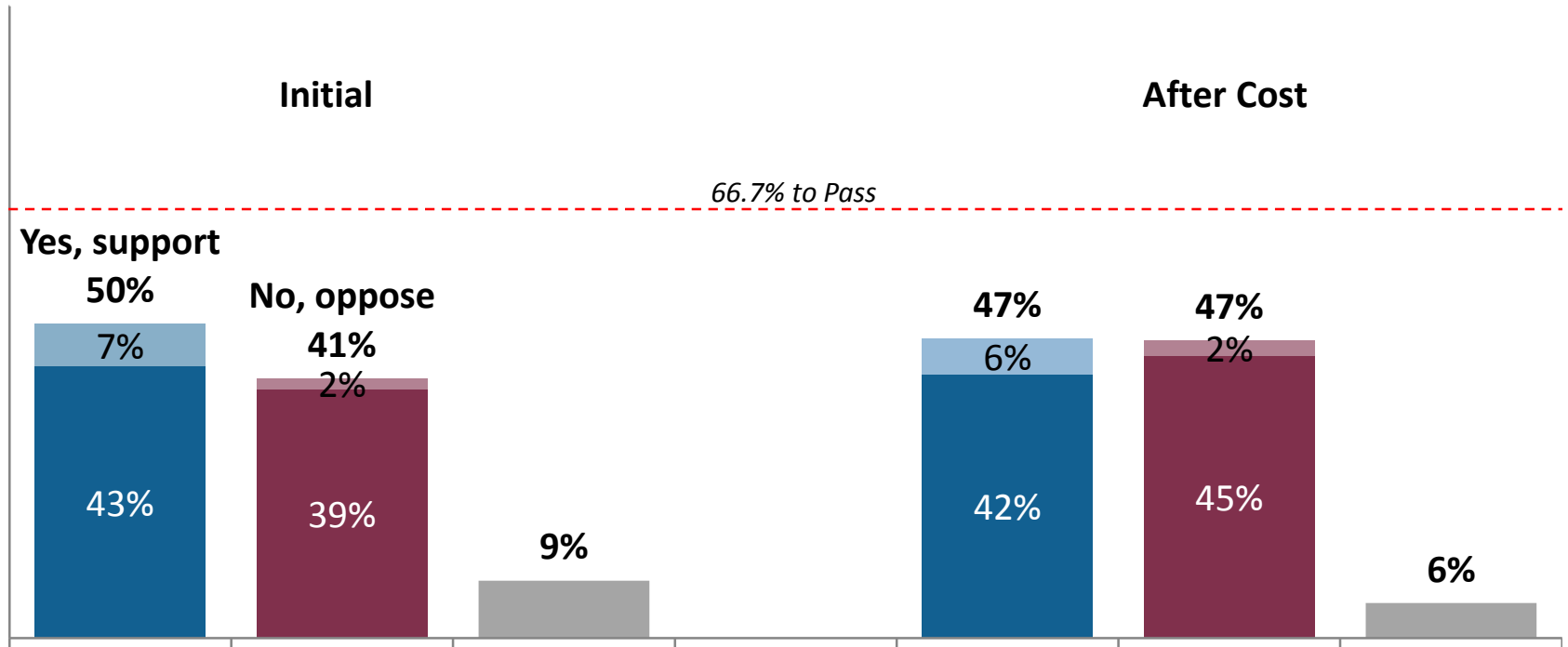


Q6. If the election were held today, would you vote Yes to approve or No to reject this measure? **[IF Undecided]** Well which way do you lean - toward voting Yes to approve or No to reject this measure?



# Vote At \$89 Per Homeowner - CFD

*Hearing the cost of \$89 has only a minimal impact on opinion, but there is a net nine point shift toward opposition.*

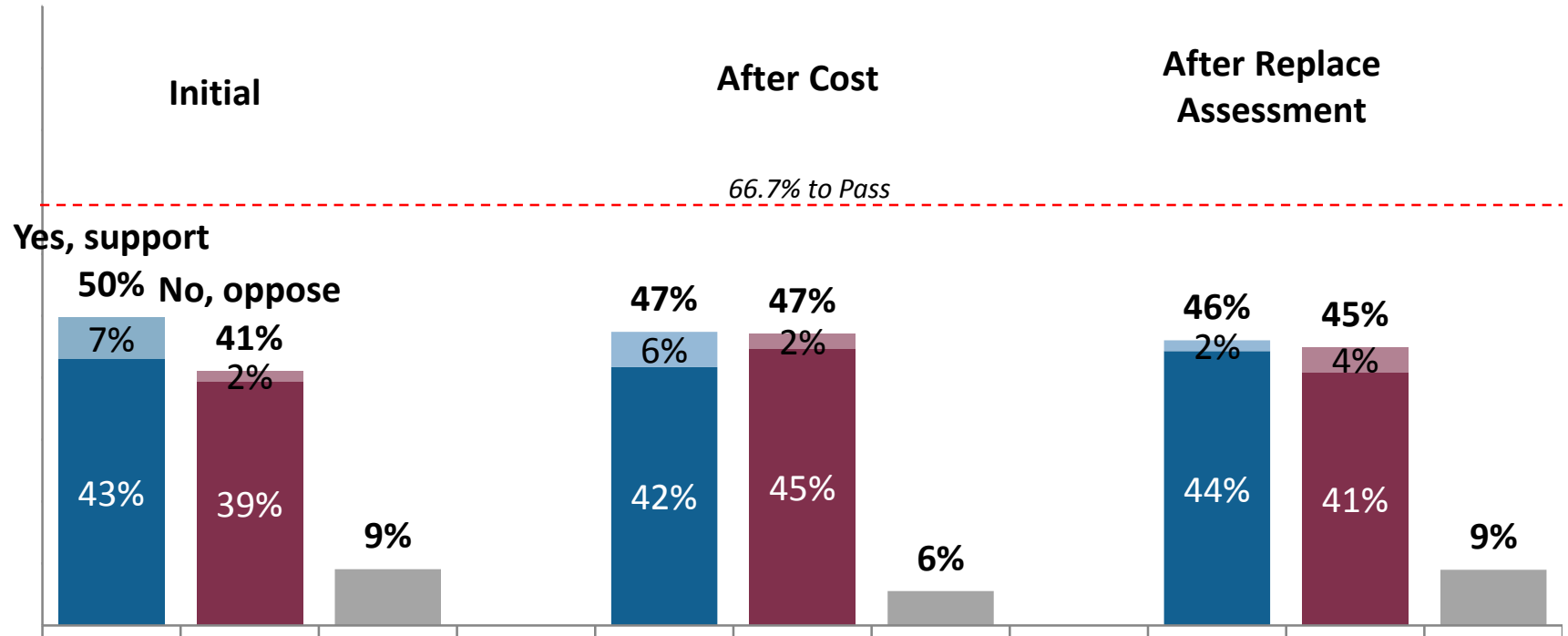


Q7. And if you knew this measure would cost homeowners \$89 per year, would you vote Yes to approve or No to reject this measure? **[IF Undecided]** Well which way do you lean - toward voting Yes to approve or No to reject this measure?



# Vote After Replace Assessment - CFD

*Hearing that the CFD would replace an existing assessment has virtually no impact in persuading westside voters to either support or oppose the measure.*

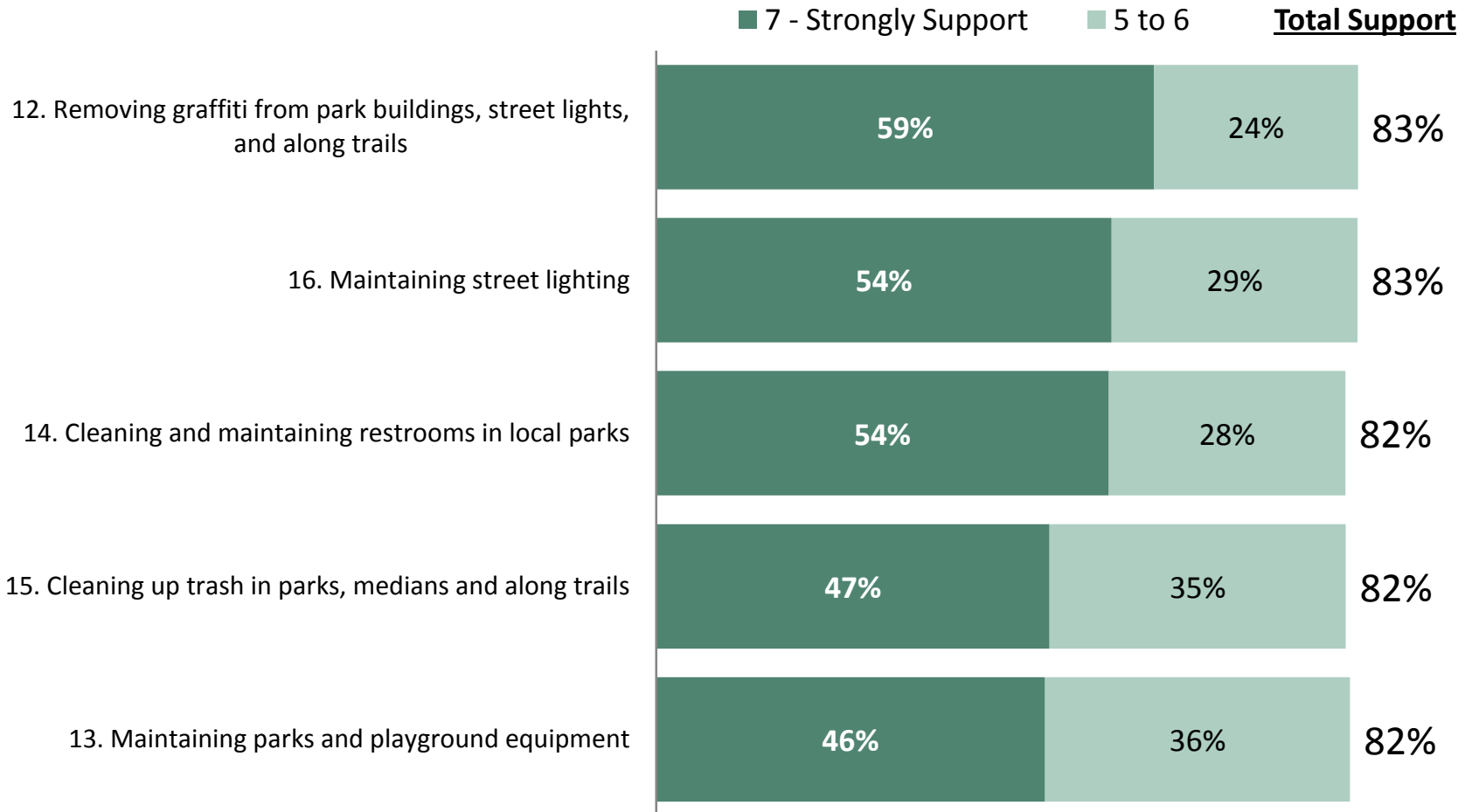


Q8. As you may know, most homeowners in the area already pay assessments for community landscaping and lighting, this new tax would replace that assessment. **[IF Undecided]** Well which way do you lean - toward voting Yes to approve or No to reject this measure?



# Top Priorities for Funding

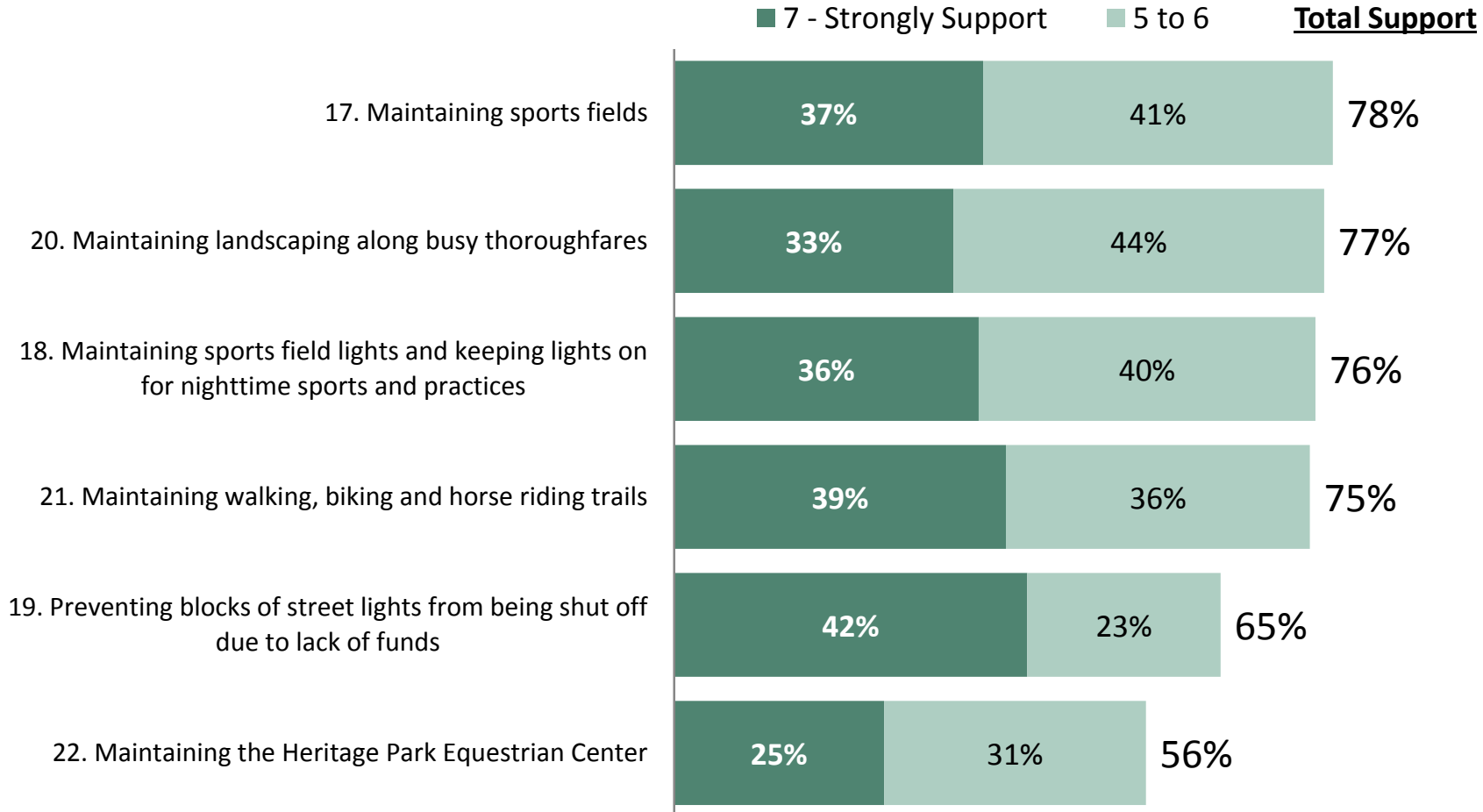
*Although support for the tax is low, support for the projects is very high.*



*Now I'm going to read you a list of items or components that could be funded by the proposed Landscaping measure. On a scale of one to seven, where one is Strongly Oppose and seven is Strongly Support, please tell me how you rate each of the following components.*



# Other Priorities for Funding

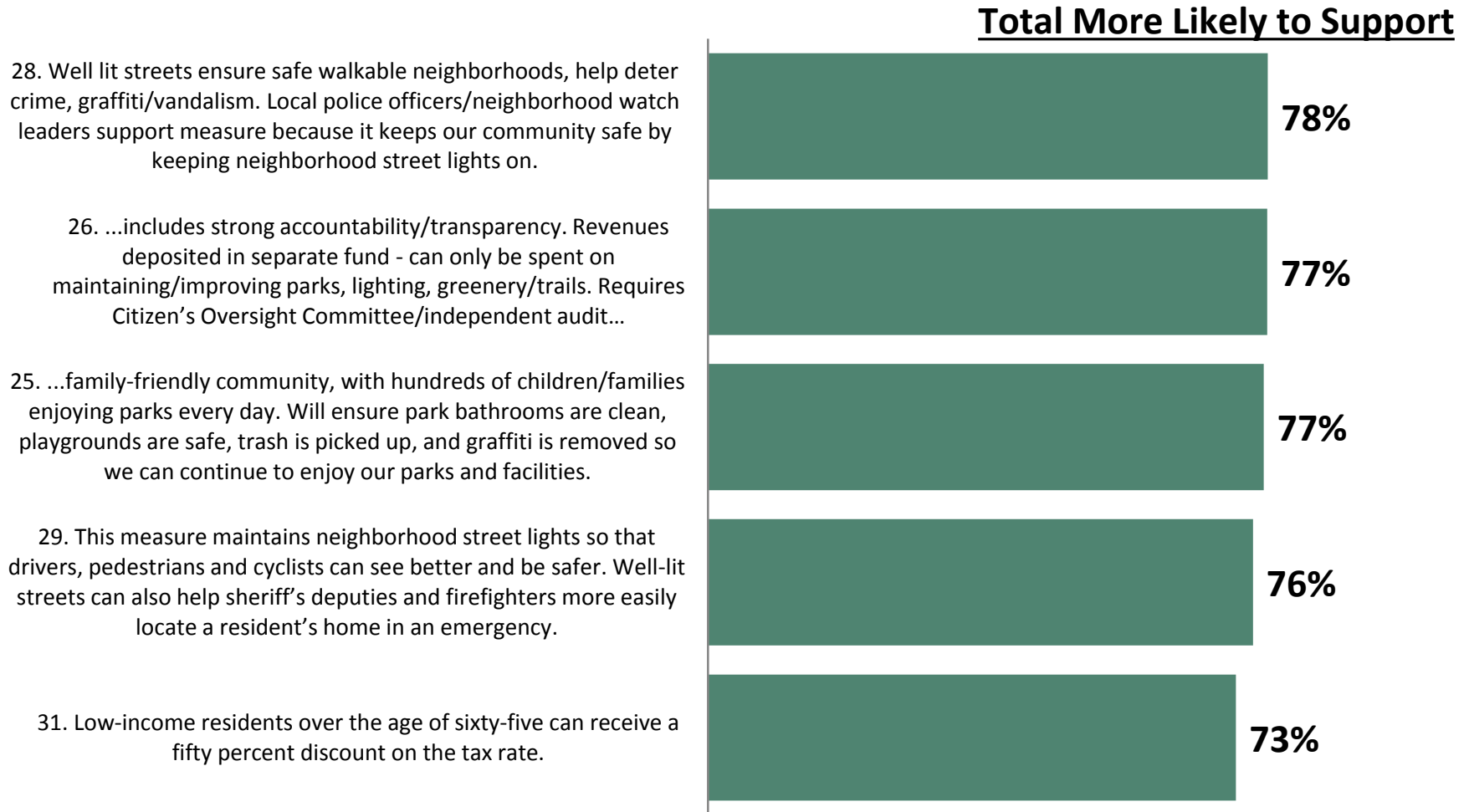


Now I'm going to read you a list of items or components that could be funded by the proposed Landscaping measure. On a scale of one to seven, where one is Strongly Oppose and seven is Strongly Support, please tell me how you rate each of the following components.



# Impact of Additional Info – Voters

*As with the property owners, info about safety (street lights), accountability, and clean, enjoyable parks is the strongest among westside voters.*



*Now I will read you some things people have said about this proposal. After hearing each one, please tell me if the information makes you more likely to support or oppose the measure. If the information makes no difference to you, please say so.*





# Impact of Additional Info – Voters

*Information about cost shortages is less compelling than the benefits of the program.*

## Total More Likely to Support

30. After school sports leagues provide a great opportunity for our kids to play, learn and stay out of trouble. Our local sports groups contribute time and money to maintain park fields, restrooms and common areas , but additional funds are needed to keep

**70%**

24. Existing funding options are not working. This measure eliminates overlapping assessment districts and simplifies our tax bills. This ensures everyone pays a fair rate, clearly understands the services they get for the assessment dollars, and only

**69%**

23. parks/trails; safe, well-lit streets; and well-kept commercial corridors define character, stability, safety of neighborhoods, keeping them desirable ... Without this measure, we will be unable to maintain character/beauty that sets our city apart.

**64%**

27. Funding... has not increased in 20 years even though maintenance costs...have increased substantially. Without this measure, there is not enough money to maintain neighborhood parks, street lighting/trails. We will need to further reduce services...

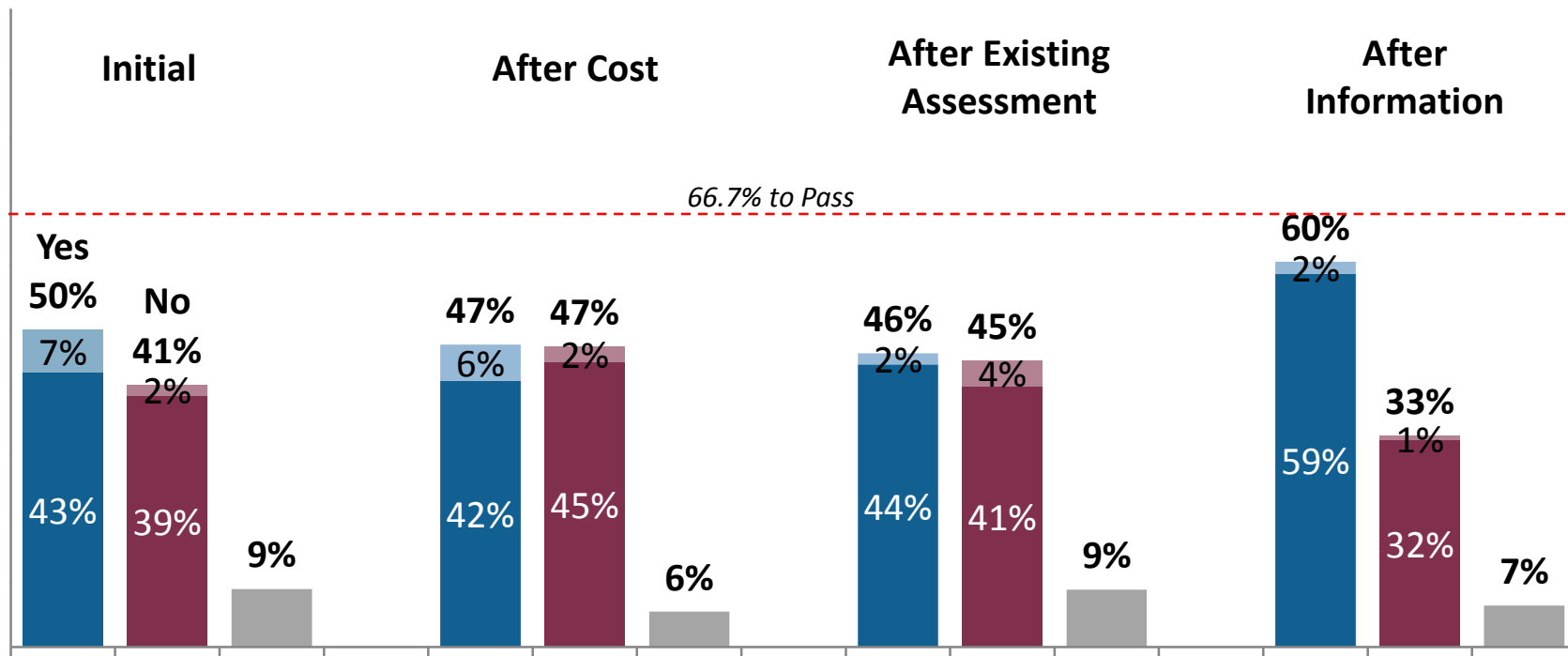
**50%**

*Now I will read you some things people have said about this proposal. After hearing each one, please tell me if the information makes you more likely to support or oppose the measure. If the information makes no difference to you, please say so.*



# Informed Vote - CFD

Hearing additional information has a big impact on westside voter support, boosting it nearly 15 points. However, overall support still lags six points under the two-thirds needed to pass.

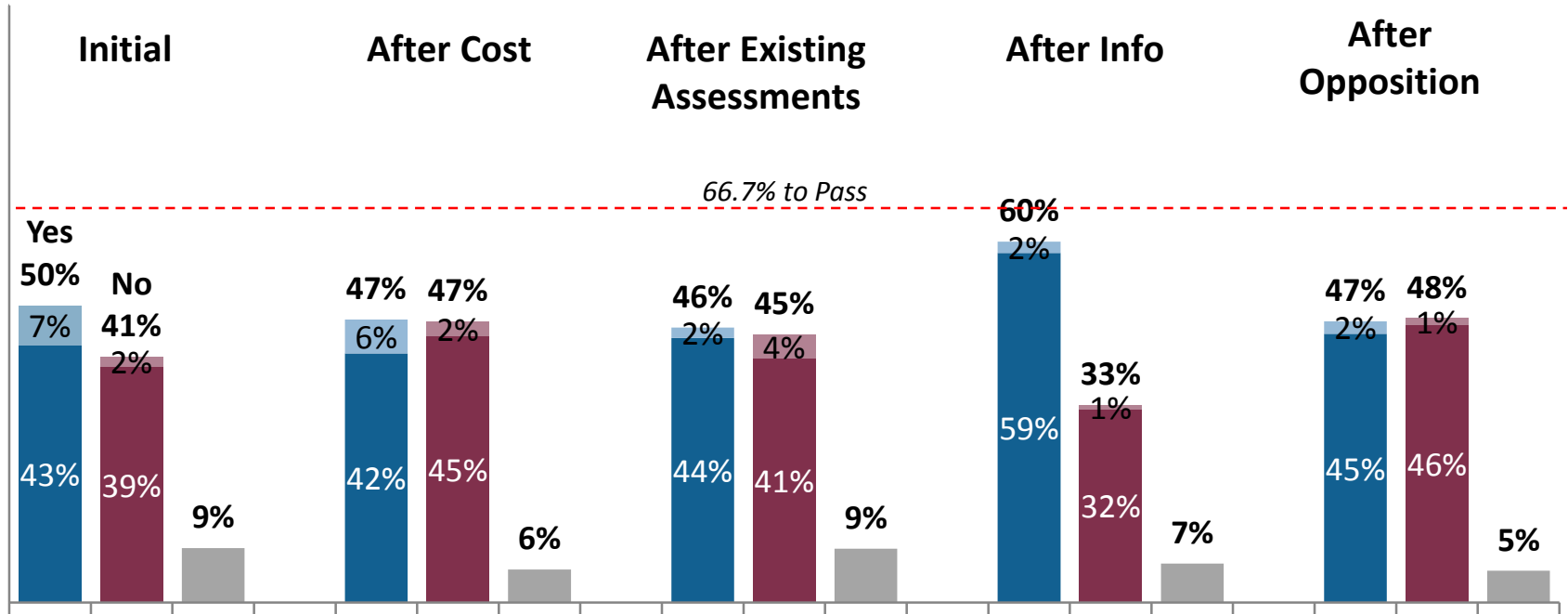


Q32. Given what you've heard, would you vote yes to approve or no to reject a measure that reads:**[IF Undecided]** Well which way do you lean - toward voting Yes to approve or No to reject this measure?



# Impact of Opposition - CFD

Voters are susceptible to attacks on the measure. After hearing one opposition message, overall support drops back to below 50%, and opposition reaches it's highest level throughout the survey.



Q33. Some people say that if the City managed its money better and set the right budget priorities, there would be no need for this measure. Homeowners already have an assessment on their homes that pays for lighting and parks, and there are too many other taxes in our area. We should vote no on this new tax. **[IF Undecided]** Well which way do you lean - toward voting Yes to approve or No to reject this measure?



# Final Conclusions

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- ▶ No matter which path the City chooses (LLAD or CFD), the City faces an uphill battle.
- ▶ Residents and voters are happy with their parks and want continued improvements, but anti-tax sentiment plague efforts to pass new funding.
- ▶ Opposition exists to either an LLAD or CFD.
- ▶ Passing LLADs in all of districts does not appear viable.
- ▶ In order for a CFD measure to be successful, there will need to be a very well-planned public information effort along with a privately funded public information campaign.



# Contacts

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510.550.8922

# Moving forward....

- Community does not support the 8-districts plan; it's time to make a new plan
- *CFD option is difficult, but appears to be best option at this time*



# Overview of Possible CFD

- Single residential rate of \$89 per unit
  - Increases to \$178 upon sale
- Non-residential rates vary
  - \$740 per acre developed
  - \$50 per acre undeveloped
- Low income senior discount of 50%
- Senior housing units at 50% rate
- Non-taxable parcels exempt
- Target November 2015 special election

# Key Differences: CFD vs Assessment Districts

	CFD	LMD/SLD
Legal framework	California Mello-Roos Community Facilities District	Lighting and Landscaping Act of 1972 (“the 1972 Act”)
Size of area allowed	Boundary map approved by legislative body	Case law dictates smaller geographic areas that provide “special benefit”
General benefit vs special benefit	None	Can only assess for “special benefit” derived by parcels
Revenue source	Special tax on tax bill	Assessment on tax bill
Who approves?	Registered voters	Property owners
Approval required	2/3 vote	Simple majority of weighted ballot value



# Average increases/decreases in residential rates

% residential parcels with increase	% residential parcels with decrease
68%	34%

<u># of units and % with total increase of</u>	<u>Units</u>	<u>%</u>
· less than \$50	2,731	15.88%
· \$51-99	14,463	84.12%
· \$100 or more	<u>0</u>	<u>0.00%</u>
	17,194	100.00%
<u># of units by increase amount</u>	<u>Units</u>	<u>%</u>
Increase in the amount of: \$11.98	2,636	15.33%
\$18.12	82	0.48%
\$27.09	3	0.02%
\$42.59	10	0.06%
\$58.09	13,791	80.21%
\$73.59	39	0.23%
\$89.09	<u>633</u>	<u>3.68%</u>
	17,194	100.00%

# Spread of Assessments

<u>Summary of Year 1 Levy</u>	<u># of Parcels</u>	<u>Units/Acreage</u>	<u>Levy Amount</u>	<u>Percentage</u>
Residential	26,196	33,150.5	\$2,953,459.09	50.7%
Residential - Senior Housing	6	839.0	\$37,374.31	0.6%
Residential - Senior Discount	N/A	2,004.5	\$89,294.13	1.5%
Non Residential	1,686	3,643.0	\$2,695,808.29	46.3%
Undeveloped	470	785.1	\$44,724.22	0.8%
Total	28,358		\$5,820,660.05	100.0%

# Benefits to New CFD

- Restores services to at least “B” level
  - Operating budget of \$5.8 million instead of \$4 million in FY 14/15
- Includes repayment of loan for \$2.7 million in one-time capital improvements in West-side parks (per Sept 2013 Council direction). Improvements could include:
  - Sports field lighting replacement/upgrades at Heritage, Red Hill, Beryl, and Old Town parks
  - Concrete walkway and lighting repairs
  - Refurbish walking path and amphitheater structure at Red Hill Park
  - Field renovations
  - Cobble repairs and site amenity replacements (benches, drinking fountains, play structures, etc)
  - Tennis court lighting upgrades at Beryl Park
  - Equestrian center kitchen remodel

## Benefits to New CFD (con't)

- Streamlined and simplified administration; reduces administrative costs
- Property owners still fund the landscaping, lighting, parks, trails, graffiti removal, etc.
- Quality and safety of our neighborhoods and business corridors are preserved into the future!

# Fiscal Accountability

- Citizens' Oversight Committee would be expanded to include review of new CFD
- All revenues deposited into separate fund
- Revenues can only be spent to maintain or improve the local community's parks, lighting, and landscaping
- Published annual independent audits

# What is the urgency?



- Phase 1 budget reductions – since Jan 2014:
  - City staff reduced; all part-time staff eliminated
  - Sports groups taking on field maintenance
  - ALRC operating equestrian center
  - Reduce mowing to bi-weekly
  - No improvements or equipment replacement
  - Removed turf
- Phase 2 budget reductions (started Jan 2015):
  - All services at less than C level
  - Stopped irrigation repairs
  - Reduce watering to bare minimum levels
  - Additional turf removal
  - Only emergency/safety repairs

# Alternatives

*(not recommended)*

- Consider a Citywide CFD
  - Prelim analysis shows population is skewed to the West-side; does not appear viable.
  - Would require extensive planning and further research
- Make General Fund reductions and use General Fund dollars to backfill districts
  - Would cause services citywide to decline for other services
  - Would impact services to planned communities, where property owners have approved new rates
- Use General Fund reserves to backfill
  - Does not address ongoing structural budget deficits
  - Not financially prudent; would negatively impact City's overall fiscal stability

# Recommendations

1. Discuss and consider the CFD option. *It's not an easy option, but appears the best option at this time.*
2. Return on March 4 for decisions regarding how to proceed.
3. Staff will continue to refine details on CFD option (election timing, public information and election costs, etc.)





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