

## COUNCIL AGENDA REPORT

**TO:** Mayor and City Council

**FROM:** Dennis Smitherman, Interim Director of Recreation and Parks

**DATE:** May 5, 2026

**SUBJECT: Adoption of a Resolution Declaring its Intent to Levy and Collect the 2026 – 2027 Landscape Assessments and Approval of the Engineer’s Reports**

Description:

The City Council will consider adoption of the engineers reports and the intent to levy and collect the 2026-27 landscape district assessments.

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**RECOMMENDATION:**

1. Approving the Engineer’s Reports for the 2026-2027 landscape maintenance districts and special benefit zones assessment proceedings; and
2. Adopt a Resolution declaring its intent to levy and collect assessments and setting a time and place for a public hearing thereon for the four landscape maintenance districts and the 20 Special Benefit Zones.

**BACKGROUND:**

During the 1980’s, the City of Santa Maria established four geographic Landscape Maintenance Districts with Broadway and Stowell serving as the center point. The four “Master Districts” consist of the following: the South Miller Street/South College Drive Landscape Maintenance District created with Resolution 81-298 on August 4, 1981; the Northwest Landscape Maintenance District with Resolution 88-154 on December 20, 1988; the Northeast Landscape Maintenance District with Resolution 89-51 on May 2, 1989; and, the Southwest Landscape Maintenance District with Resolution 89-50 on May 2, 1989. The creation of these districts enables the City of Santa Maria to levy and collect assessments for the purposes of maintaining the public landscaping and parks, and for nuisance abatement within each district.

Within the four “Master Districts,” there are currently 18 Special Benefit Zones (SBZ). Each SBZ was created at the time when a new development was built, in order to provide for the perpetual maintenance of additional public improvements associated with the development of each project. These public improvements include retention basins, parks, sidewalks, graffiti abatement, pest abatement, street trees, and all public thoroughfare landscaping. The cost for maintaining the public improvements vary, based on the type and extent of public improvements in a given subdivision. This cost is distributed among all assessed properties within the specific SBZ and collected annually through property taxes.

Under the Landscaping and Lighting Act of 1972 (“the Act”), the City is authorized to provide and maintain landscaping, public lighting, appurtenant facilities, park and recreational improvements. By following the procedures set out in the Act, as well as Proposition 218 and its implementing legislation, the City can assess property owners for the special benefit received as a result of installing and maintaining these improvements.

The process of assessing property for improvements under the Act has several steps. A typical first step is annexing property into a particular part of the City’s system under the Act, and setting of the assessment for the first fiscal year. This is accomplished through consent of the current property owners and action of the Council pursuant to an Engineer’s Report. The Engineer’s Report correctly apportions the costs to specific property according to the special benefit received. If particular properties receive additional benefit, they are placed into a “zone” which receives a particularized assessment amount according the additional special benefit received.

Assessment law, in particular Proposition 218, allows only the *special* benefit received by properties to be assessed. General benefits received by the public are not recoverable using assessments. The Engineer’s Report apportions or spreads these special benefit amounts to the properties to be assessed.

Amounts are assessable to property under the Act for one fiscal year. Each year at this time, the City conducts assessment proceedings under the Act. In order to collect assessments going forward, the City must not receive a majority protest. If the City wishes to increase assessments within the meaning of the law (i.e. above the annual Consumer Price Index (CPI)), then the City must follow the specialized election proceedings under Proposition 218. In addition, Proposition 218 removes former provisions of statutory law that allowed public entities to be exempt from assessment.

## **DISCUSSION:**

The process of annexation, calculating, and levying assessments in the Landscape Maintenance Districts is outlined in the California Streets and Highways Code, which the City of Santa Maria follows in these proceedings. The City of Santa Maria’s process for annexation, calculating, and levying of assessments has been refined by the City Attorney in compliance with state law and the most recent case law. The recommended action tonight is to meet the statutory requirements by the City Council: 1) adopting a resolution approving the Engineer’s Reports for assessment proceedings; and 2) declaring the intent to levy and collect the property tax assessments for each of the four Landscape Maintenance Districts and the SBZ’s, and set a public hearing for June 2, 2026, to consider the proposed landscape assessments for approval.

<sup>1</sup> U. S. Department of Labor, Bureau of Labor Statistics for Urban Los Angeles-Riverside-Orange County areas – includes Santa Maria for the period ending December 31, 2025.

The Director of Finance has determined that the annual Consumer Price Index CPI<sup>1</sup> rose by 3.0 percent in calendar year 2025, requiring that the 2026 district and SBZ assessments be increased by 3.0 percent to keep pace with increased costs.

The proposed assessments are intended to provide adequate funding for district operations over the next fiscal year and are consistent with past City Council action. The action before City Council not only authorizes the levying and collection of the property tax assessment for the Landscape Maintenance Districts and the SBZs, but also authorizes the Director of Finance to transfer funds out of appropriated reserves in order to finance operational costs (unanticipated expenses or project overages) in the districts during the next fiscal year.

### Fiscal Considerations

The attached supportive documents present the specific financing related to each of the Landscape Maintenance District Assessments for the “Master Districts” and the SBZs. To summarize, the Landscape Maintenance Districts and the SBZ’s generate approximately \$5.9 million in revenue to fund direct maintenance services and district operation costs. This revenue is collected from approximately 9,888 residential and 615 commercial properties in the districts. Since everyone who lives in the City of Santa Maria *benefits* from the well-kept, public easement landscaped areas, the City’s General Fund provides a financial contribution, known as the “City’s General Benefit,” in the amount of \$956,646. This contribution is made on behalf of the estimated 23,500 (commercial and residential) properties that existed prior to the creation of the Landscape Maintenance Districts. As new development occurs in older parts of the City, those properties are annexed into a Landscape Maintenance District or SBZ, so over time the General Benefit will begin to diminish.

During FY 2025-26, the Landscape Maintenance Districts experienced an across-the-board increase in costs of providing daily operations, renovation, project management, and irrigation water. In order to control the cost of water, staff is converting non-recreational turf to low water use plantings as renovation budgets permit. These conversions will result in long-term savings but require a significant upfront expenditure. Accordingly, Landscape Maintenance Districts will continue to face increased costs.

In 2026, there will be additional revenue from the new projects at Las Brisas at Betteravia Plaza, and others, into their respective districts.

<sup>1</sup> U. S. Department of Labor, Bureau of Labor Statistics for Urban Los Angeles-Riverside-Orange County areas – includes Santa Maria for the period ending December 31, 2016.

### Impact on the Community

Landscaping along the City's major arterials and surrounding residential and commercial developments in the City are a positive indication of the fine quality of life in Santa Maria and its aesthetic appeal. Accordingly, the City's landscaping provides for the community's enjoyment, neighborhood cohesiveness, and beauty. And the assessments herein provide for perpetual care of these public areas and safeguard the assets of surrounding property owners.

### ATTACHMENT(S)

- A. Resolution- Intent to Levy and Collect
  - Exhibit A- Engineer Report Northwest
  - Exhibit B- Engineer Report Northeast
  - Exhibit C- Engineer Report Southwest
  - Exhibit D- Engineer Report Southeast
  - Exhibit E- FY26-27 District Assessment Rolls
  - Exhibit F – Landscape Maintenance Districts Map