

1. Lighting – While street Lights are an authorized improvement in the existing Citywide Consolidated Assessment District, the 1993 Engineer's Report stated that Zone A parcels do not receive special benefit from street lighting. Therefore, parcels within Zone A have not been assessed for street lighting to date. However, that report was written over 25 years ago and under different law. Since that time, Proposition 218, which was passed by California voters in 1996, and subsequent case law applying Proposition 218 have substantially updated the concept of “special benefit”. This required the City to reconsider special benefit to properties that may be subject to any new or increased assessment. After completion of a recent Engineer’s Report applying current law, the special benefit finding reaches a different conclusion from that back in 1993. The facts are that the Phillips Ranch area has street lights distributed throughout the community and at a greater density than other areas of the City. The special benefits of the street lights are conferred upon assessable property located within the boundaries of the Phillips Ranch Landscape and Lighting Maintenance Assessment District as described further in the Engineer’s Report.

Under the current assessment, Zone B parcels pay \$15.37 per year for street lights and Zone A parcels pay nothing, resulting in insufficient funds to maintain those improvements at current levels. Under the new assessment structure, all residential property in the Assessment District would equally be paying \$14.34 per year for street lights representing the proportionate special benefit of the street light improvements throughout the entire Assessment District. There are other areas of the City that pay for street lights. Based on the fiscal year 2018-19 Engineer's Report, over 4,000 parcels outside the Phillips Ranch Zones within the City of Pomona pay for street lights.

2. Landscape - The existing Phillips Ranch Zones of the Citywide Consolidated Assessment District currently pay for the same improvements as are proposed in the new Phillips Ranch Assessment District except for parks which will not be included in the new Assessment District. Nothing is being added to the current landscape areas of responsibility as the existing District authorizes ALL landscape, trees, etc. within ALL of the public rights-of way, easements, parkways, etc.

The specific authorized improvements in the Engineer's Report from the existing Citywide Consolidated Assessment District are:

The improvements are the construction, operation, maintenance and servicing of landscaping, lighting and appurtenant facilities including but not limited to personnel, electrical energy, utilities such as water, materials, contracting services, and other items necessary for the satisfactory operation of these services described as follows:

#### LANDSCAPING

Landscaping, planting, shrubbery, trees, irrigation systems, hardscapes, fixtures, and appurtenance facilities, in public rights-of-way, parks, parkways, and designated easements within the proposed boundary of said Assessment District.

#### LIGHTING

Poles, fixtures, bulbs, conduit, equipment including guys, anchors, posts and pedestals, metering devices, appurtenant facilities, and tree pruning around lights as required to provide lighting in public rights-of-way and easements within the proposed boundaries of said Assessment District.

3. Public Property – Under Proposition 218, publicly owned property cannot be exempt from assessments if it receives special benefit from the improvements and services provided through the assessments. The City currently owns 6 residential lots and the School District owns the property for the two schools. Since these properties do receive special benefit, as outlined in the Engineer’s Report, they must be assessed and therefore they have a vote equal to what they will pay each year just like all other assessed property in the proposed Assessment District.
4. CPI Increase - The proposed assessment has an inflation formula tied to the Consumer Price Index beginning in year 3 of the new assessment that would help the Assessment District keep up with costs and reduce the likelihood of future ballot proceedings. The actual assessments each year would be determined by the actual costs of the Assessment District.