

DEPARTMENT OF PUBLIC WORKS
BUREAU OF STREET LIGHTING
REPORT NO. 1

May 14, 2021

C.D. Ail

Honorable Board of Public Works of the City of Los Angeles

ANNUAL ASSESSMENT FOR STREET LIGHTING MAINTENANCE AND OPERATION FOR 2021/22 – LOS ANGELES CITY LIGHTING DISTRICT (ASSESSMENTS AND DISTRICT FROZEN SINCE 1996)

RECOMMENDATIONS

1. That your Board, in accordance with Section 6.98 of the Administrative Code of the City of Los Angeles, adopt and forward this report and transmittals to the City Clerk and City Council with the recommendations that:

(a) Council adopt this Report and the Ordinance of Intention for the Los Angeles City Street Lighting Maintenance Assessment District (LACLD), (Transmittal No. 2), under which individual maintenance assessments, and the composition of the District will remain substantially the same as in 2020/21, and therefore assessments will be exempt from the "procedures and approval process" (section 4 of Proposition 218) as allowed in section 5 of Proposition 218. **No assessments will be increased and no properties will be added to this District. Therefore, no ballots will be required.**

(b) Proceedings for the maintenance of the LACLD for fiscal year 2021/22 be conducted in conformance with Division 6, Chapter 3, Article 1 of the Los Angeles Administrative Code, California Government Code Section 53753.5 and Proposition 218 (Articles XIII C and XIII D of the California State Constitution). **At the conclusion of the Council Public Hearing, assessments be confirmed and an ordinance levying the assessments be adopted.**

Confirmation of the assessments by **July 31, 2021** is necessary to meet the County deadline for inclusion of the assessments on the 2021/22 Property Tax Bills.

~~2. That your Board submit a copy of this report and its transmittals to the City Administrative Officer for review and comment prior to your Board's public hearing, per their request in the 1007 Management Audit of the Bureau of Street Lighting~~

FISCAL IMPACT STATEMENT

Approval will result in assessment revenue of about **\$42,124,040** to the Street Lighting Maintenance Assessment Fund (SLMAF) for 2021/22 street lighting operations, slightly less than in 2020/21. An amount of **\$2,600,000** is budgeted from the Water and Electricity Fund for the City's share of the Public Property assessments. About 510,000 parcels are included in this assessment district.

TRANSMITTALS

1. Draft of an Ordinance of Intention approved as to form and legality by the City Attorney.
2. Final Cost Estimate for Operation of the Street Lighting in the LACLD.

3. Specifications for the Operation of the Los Angeles City Street Lighting Maintenance Assessment District for 2021/22.
4. Proposed assessment roll.

SUMMARY DISCUSSION

Approval of this report, adoption of the Ordinance of Intention, holding of the public hearings, and adoption of the Final Ordinance by Council, with approval by the Mayor, is required under Sections 6.95 to 6.127 of the Los Angeles Administrative Code to levy the assessments needed to operate the Los Angeles City Street Lighting Maintenance Assessment District (LACLD) for 2021/22. The \$42,124,040 in annual assessments is the primary source of revenue for the Bureau of Street Lighting's operating budget and other street lighting expenses. The assessments are collected through the County Property Tax Bills, and therefore the assessments must be confirmed by the Council by July 31, 2021 to ensure that the information can be included on the tax bills.

In summary, the total estimated cost of LACLD street lighting operations for 2021/22 is \$68,323,886 of which \$42,124,040 is proposed to be assessed to benefiting properties, including City-owned properties, in accordance with established Council policy. The remaining \$26,199,846 (\$1,400,693.56 carry over from previous fiscal year) in costs are funded from other sources of revenue, including miscellaneous receipts, reimbursements from other agencies, and collections for damage claims, permits & fees, and maintenance agreement receipts. An appropriation of \$2,600,000 from the Water & Electricity Fund is budgeted for the public property street lighting maintenance assessments.

SINCE INDIVIDUAL MAINTENANCE ASSESSMENTS, AND THE COMPOSITION OF THE DISTRICT WILL REMAIN SUBSTANTIALLY THE SAME AS IN 2020/21, THEY ARE EXEMPT FROM THE "PROCEDURES AND APPROVAL PROCESS" (SECTION 4 OF PROPOSITION 218) AS ALLOWED IN SECTION 5 OF PROPOSITION 218. NO ASSESSMENTS WILL BE INCREASED AND NO PROPERTIES WILL BE ADDED TO THIS DISTRICT.

SIGNIFICANT ITEMS AFFECTING THE ESTIMATE

REVENUES

- **STREET LIGHTING MAINTENANCE ASSESSMENTS** – The Bureau collects 98% of all assessments levied against benefiting property owners.
- **ACCELERATED HIGH VOLTAGE CONVERSION PROGRAM (MICLA)** – The Bureau will be converting the remaining 3,150 high voltage streetlights to energy efficient low voltage LED streetlights next fiscal year.

EXPENDITURES

- **ELECTRIC RATES** - The annual bills for electricity for the LACLD are estimated to total \$10,120,000 for 2021/22.
- **STREET LIGHTING MAINTENANCE ASSESSMENT FUND (SLMAF)** – The SLMAF covers design, operation, and maintenance of the street lighting system (220,000 streetlights).

OTHER SIGNIFICANT ITEMS

- **REVIEW OF ASSESSMENT FUND REVENUES** – In fiscal year 2021-22 the Bureau will be reviewing the assessment fund to ensure that all assessments are accurate and being properly collected.
- **CITYWIDE ASSESSMENT BALLOT** – In fiscal year 2016-2017, the Bureau worked with a consultant to establish a detailed plan for a Citywide LACLD ballot proceeding. The consultant concluded its study and recommendation in fiscal year 2017-18 to move forward with the LACLD ballot. The CAO's Needs Analysis Report contract was completed in FY 2019-20. The Bureau expects to award a personal service contract in 2021 to NBS Government Finance, Inc. for a database software that will calculate street lighting maintenance assessments for over 550,000 parcels to better position the Bureau to conduct a Citywide mail in ballot process in the Winter of 2022.
- **WIRE THEFT** – The City of Los Angeles has over 220,000 streetlights that are powered through underground conduit with copper wires. The use of high strength, composite, lockable pullboxes along with increased awareness by the LAPD and the public have been instrumental in reducing copper wire theft. This year the Bureau has seen an increase in power theft due to the homeless population over the past few years.
- **REMOTE MONITORING CONTROLS ON STREET LIGHTING POLES** – The Bureau will continue to install remote monitoring controls on street lighting fixtures as well as monitor energy use and the status of each light. The streetlights are able to identify themselves to the network instantly using mobile technology embedded into each fixture. This smart plug-and-play approach not only reduces the cost of installing each fixture, it reduces the time of commissioning and eliminates on-site commissioning completely. Additionally, the entire system will be securely controlled and managed remotely through a web browser. We envision this will provide infrastructure for future Smart City applications.
- **VISION ZERO** - Vision Zero Los Angeles is premised on the fundamental principle that loss of life by traffic collision is unacceptable. The goal of Vision Zero is to target all traffic fatalities with an emphasis on the most vulnerable users of our streets; people who walk and bicycle. Our Bureau has developed a list of prioritized lighting projects to improve safety on the High Injury Network which identifies streets with a high concentration of traffic collisions that result in severe injuries and deaths. We will continue to incorporate strategies into intersections and crosswalks at mid-blocks to improve safety.

- **POLE PAINTING** – The Bureau repaints deteriorated metal found on our street lighting poles. Pole painting is an essential part of the maintenance of street lighting poles. Street lighting poles should be painted every 7 to 10 years. The street lighting pole begins to deteriorate if it is not painted on a regular cycle. This deterioration leads to higher painting costs. Without proper painting and maintenance, the street lighting pole is in danger of corroding to the point that it can fall down. This is a liability for the City and is an important public safety issue.
- **SMART CITY** – The Bureau has been at the forefront of the Smart City movement with our conversion to LED-lighting years ago. As technology advances, we are working to develop a Smart City network and develop a plan to incorporate new technologies into our Street Lighting infrastructure. The Smart City endeavors help to enhance connections that provide the backbone of transmission of data regarding the streetlights, collect helpful data through various sensors (i.e., air quality, audio, motion, etc.) attached to our streetlights, attach EV Charging stations, and pilot emergency streetlights.
- **FUSE FELLOW – STRATEGIC PLAN** – In FY 2021-22 we will have a FUSE Fellow to manage our website redesign. This will enable improved Bureau services, and better accessibility for all Agencies. This will accommodate the Bureau's enhanced community engagement plans, planned data reporting, and strengthen customer services. FUSE is a national non-profit that partners with local governments to help urban communities thrive. The FUSE Fellow will also be responsible for coordinating joint media projects with the Public Affairs Office, and organizing website materials and content requirements.

PROPOSITION 218

Shortly after approval of Proposition 218 on November 5, 1996, we conferred with experts in assessments in the private sector, in other cities, and within the City, including the City Attorney, CAO, CLA, City Clerk and others to ascertain and deal with the impacts on assessments, particularly for this District. Our conclusions, concurred in by the City Attorney, are:

1. This assessment district can be renewed, a year at a time, and is exempt from the voting, mailed notices and other requirements of Proposition 218, Section 4, as long as the assessments and the composition of the District are not increased or added to from the previous year.
2. When an increase becomes necessary, a ballot and notice must be mailed to all property owners in the District; if a weighted majority of the votes received are against the increased assessment, it cannot be levied.

STREET LIGHTING MAINTENANCE ASSESSMENTS – FINAL ESTIMATE

Transmittal No. 2 is the FINAL ESTIMATE of expenditures and revenues for the 2021/22 LACLD. It also provides a description of the cost and revenue elements of the estimate, and the basis for the street lighting maintenance assessments that are levied by City Council.

The assessments to about 510,000 individual properties (about 2/3 of the City) will remain the same as in 2020/21. Properties without streetlights (about 1/3 of the City) are not assessed. A typical R-1 property with a 50-foot frontage which was assessed \$53.07 in 2020/21 will be assessed the same amount in 2021/22.

This estimate has been prepared consistent with Council Policy in Administrative Code Sections 6.95-6.127, and on the basis of maintaining the Street Lighting Maintenance Assessment Fund in a solvent condition throughout the next fiscal year. The major portion of the revenue to this Fund is planned to be secured from the annual assessment to benefiting properties, which comprise the LACLD. The Bureau of Street Lighting (BSL) budget is also financed from the SLMAF. Therefore, we depend on reimbursement of design fees and other charges to the SLMAF from other funds and agencies.

PROCEDURES FOR CONFIRMING THE ASSESSMENTS

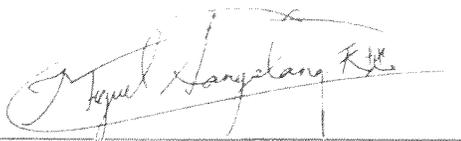
Upon approval of this report and adoption of the Ordinance of Intention by the Council, dates will be set for hearing appeals, one hearing at the Board of Public Works, and then one hearing at the Council. After consideration of the appeals, Council may vote to confirm the assessments, and to adopt a Final Ordinance ordering the maintenance work to be done and the assessments to be levied. ***This must be completed in time to submit the necessary information to the County Tax Collector for inclusion with the Property Tax Bills, to avoid a costly, separate City billing preparation, mailing and collection. The Council must confirm the assessments by July 31, 2021 to be included in the County Property Tax Bills.***

The assessment diagrams of lands previously approved for assessments, except for assessments first confirmed in 1996/97 and thereafter, are available, and the roll of individual assessments proposed to be levied within the district is being prepared by our assessment engineering staff. These documents will be available prior to the publication of the Notice of Public Hearing. The Ordinance of Intention for the LACLD has been approved as to form by the City Attorney.

Report Prepared By:

Respectfully submitted,

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