



# REPORT TO COUNCIL

## City of Sacramento

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915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org

CONSENT  
March 23, 2010

Honorable Mayor and  
Members of the City Council

**Title: Services Community Facilities Districts – Amendments to the FY2009/10 Budget**

**Location/Council District:** Citywide

**Recommendation:** Amend the revenue and expenditure budgets for the FY2009/10 Approved Budget for the Services Community Facilities Districts by adopting: 1) a **Resolution** for the Willowcreek Landscaping Maintenance Community Facilities District (CFD) No. 98-04; 2) a **Resolution** for the North Natomas Transportation Management Association (TMA) CFD No. 99-01; 3) a **Resolution** for the North Natomas Neighborhood Landscaping Maintenance CFD No. 99-02; 4) a **Resolution** for the North Natomas Landscaping Maintenance CFD No. 3; 5) a **Resolution** for the Neighborhood Park Maintenance CFD No. 2002-02; 6) a **Resolution** for the Neighborhood Alley Maintenance CFD No. 2003-04; and 7) a **Resolution** for the Del Paso Nuevo Landscaping CFD No. 2006-06.

**Contact:** Mark Griffin, Fiscal Manager, 808-8788

**Presenters:** Not Applicable

**Department:** Finance

**Division:** Public Improvement Financing

**Organization No:** 06001321

### **Description/Analysis**

**Issue:** Seven Community Facilities Districts (CFDs) provide maintenance and operations services including street landscape, park and alley maintenance, and support for the North Natomas Transportation Management Association (TMA). The budgets are finalized when the revenue from taxes and fund balance are known, which is typically in late January for the current fiscal year. Approval will authorize the distribution of the final amounts to City Departments and to the North Natomas TMA.

This year is unusual in that when development ceased abruptly, the growth in the

maintenance needs for some of these district also stopped. As a result, taxes have been lower in two North Natomas districts, one by 33% that covers area-wide buffer and drainage basin landscaping, and another by 77% that pays for subdivision streetscape maintenance. Taxes in other districts adjusted by an almost negligible 0.227%.

**Policy Considerations:** The Council action recommended in this report supports the City’s Strategic Plan 3-Year Goal to “achieve sustainability and enhance livability”.

**Sustainability Considerations:** There are no sustainability considerations applicable to the formation process and administration of a special district.

**Environmental Considerations:** Under California Environmental Quality Act (CEQA) Guidelines, administration and annual maintenance do not constitute a project and are therefore exempt from review.

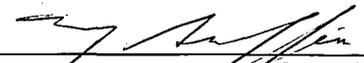
**Committee/Commission Action:** None

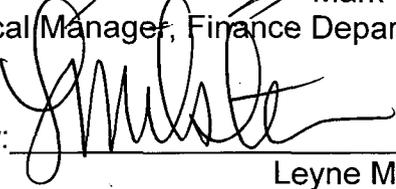
**Rationale for Recommendation:** The actions in the recommended Resolutions are required by the Mello-Roos Community Facilities Act of 1982 (in Government Code Sections 53339-53339.9) for annual proceedings of existing districts.

**Financial Considerations:** There is no cost to the City or the General Fund. All funding for services are generated from Special Taxes on the above referenced CFDs for specified purposes. The attached resolutions amend the districts’ budgets to reflect anticipated revenues and expenditures in FY2009/10. Most additional resources were anticipated in the FY2009/10 Approved Budget adopted in June 2009.

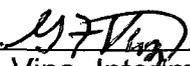
The most significant change from last fiscal year is a reduction in tax rates in two North Natomas Districts. The tax bill for all special levies and assessments for single family homes typically declined from \$948 to \$796, about a 16% drop.

**Emerging Small Business Development (ESBD):** None. No goods or services are being purchased.

Respectfully Submitted by:   
Fiscal Manager, Finance Department

Respectfully Submitted by:   
Director, Finance Department

Recommendation Approved:

  
Gus Vina, Interim City Manager

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## BACKGROUND

The following seven (7) Community Facility Districts (CFDs) are estimated when the official budget is established each June. In January, actual levies and fund balances become known, which permits accurate budgeting and adjustments to better address specific maintenance needs in each District. City Council authorization is therefore required to amend the existing budgets to reflect current year actual revenues and needs. The seven districts, their purpose, their revenues and expenditures are as follows:

*Willowcreek Landscape Maintenance CFD No. 98-04, Fund 2229*

This district, formed in 1998, provides for subdivision landscape maintenance in the Willowcreek planning area of South Natomas. It is projected that the fund will collect \$88,714 in FY2009/10. Costs are projected at \$87,632.

*North Natomas Transportation Management Association CFD No. 99-01, Fund 2223*

This district, formed in 1999, provides funding for the North Natomas Transportation Management Association (NNTMA). The NNTMA provides alternative mode transportation services for workers and residents of North Natomas. It is projected that the fund will collect \$1,021,749 in special taxes in FY2009/10. Costs are projected at \$1,469,490. The large difference between revenue and expenditures is due a large fund balance that resulted from the collection of taxes in arrears last fiscal year.

*North Natomas Neighborhood Landscape Maintenance CFD No. 99-02, Fund 2227*

This is one of two districts experiencing a large tax reduction. The tax has dropped 77% in most instances, from \$43.54 to \$10.00 in the case of single family homes. This is possible because the fund balance has been kept higher than necessary to support current expenditures in order to provide adequate funds in the future when much higher maintenance by the City will be required as landscaping is constructed and the warranties expire. With the current economic and growth conditions, the fund balance can be reduced without jeopardizing our ability to provide the necessary services in the future.

This district, formed in 1999, provides funding of certain North Natomas residential subdivision landscaping. It is projected that the fund will collect \$193,981 in FY2009/10. Costs are projected at \$272,304, with the difference of expenditures over revenue funded with a reduction in fund balance

*North Natomas Landscape Maintenance CFD No. 3, Fund 2230*

This is one of two districts experiencing a large tax reduction. The tax has dropped 33% in most instances; from 68.34 to \$45.28 in the case of single family homes. This is possible because the fund balance has been kept higher than necessary to support current expenditures in order to provide adequate funds in the future when much higher

maintenance by the City will be required as landscaping is constructed and the warranties expire. With the current economic and growth conditions, the fund balance can be reduced without jeopardizing our ability to provide the necessary services in the future.

The district, formed in 1998, provides the funding for North Natomas buffer and drainage basin landscaping. It is projected that the fund will collect \$1,100,771 in FY2009/10. Costs are projected at \$1,722,998. Similar to CFD 99-02 above, the excess of expenditures over revenue is being supported by a reduction in fund balance.

Neighborhood Park Maintenance CFD No. 2002-02, Fund 2233

This Citywide district, formed in 2002, provides funding to the Parks Department for a portion of the maintenance associated with new neighborhood parks. It is projected the fund will collect \$983,872 from the FY2009/10 tax roll. Costs are projected at \$971,181.

Neighborhood Alley Maintenance CFD No. 2003-04, Fund 2225

This district, formed in 2003, funds future maintenance needs of alleys being built in new subdivisions. It is projected that the district will collect \$5,164 in Special Taxes in FY2009/10. Costs are projected at \$4,889. The surplus of revenues over expenditures is to provide adequate funds for upcoming maintenance costs.

Del Paso Nuevo Landscaping CFD No. 2006-06, Fund 2238

Formed in 2006, this district provides funding to maintain the landscaped corridors constructed in and around the Del Paso Nuevo Units 4 & 5 subdivisions. It is projected the fund will collect \$19,036 from the FY2009/10 tax roll. Costs are projected at \$11,922. The surplus of revenues over expenditures is to provide adequate funds for upcoming landscape maintenance:

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**AMENDING THE REVENUE AND EXPENDITURE BUDGETS FOR THE  
WILLOWCREEK LANDSCAPING MAINTENANCE CFD NO. 98-04,  
FUND 2229, FOR FY2009/10**

**BACKGROUND**

- A. On January 5, 1999, the property owners within the boundaries of the Willowcreek Landscaping Maintenance CFD No. 98-04 (CFD 98-04) (Exhibit A) voted to approve the formation of the district;
- B. CFD 98-04 formation was approved by the City Council on December 15, 1998;
- C. Property owners within the boundaries of CFD 98-04 are assessed a special tax to cover the cost of delivering services of maintenance needs for landscaped areas;
- D. Special taxes to be collected in FY2009/10 total \$88,714 and expenses are estimated at \$87,632.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

- Section 1. The City Council finds and determines that the background statements A through D are true.
- Section 2. The Finance Director is authorized to amend the revenue and expenditure budgets of CFD 98-04 to \$88,714 and \$87,632 respectively, and as shown on Exhibit B.

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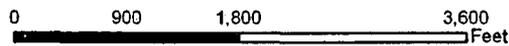
Exhibit A: Location Map -1 Page

Exhibit B: FY2009/10 Budget & Parcel Assessment -1 Page

### Willowcreek Landscaping CFD No. 98-04



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City of  
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BMueller, 01/10/06



**WILLOWCREEK LANDSCAPING MAINTENANCE CFD NO. 98-04  
FY2009/10 BUDGET**

Beginning Fund Balance	\$99,188
<b>Total Assessed to Property Owners</b>	<b>\$88,714</b>
Maintenance Contract	\$81,022
Administration	
Special Districts Administration (PIF)	861
Billing Administration	
Consultant	2,427
Accounting	2,637
County	<u>685</u>
<b>Total Expenditures</b>	<b>\$87,632</b>
Ending Fund Balance (Contingency)	\$100,270

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**AMENDING THE REVENUE AND EXPENDITURE BUDGETS FOR THE NORTH NATOMAS TRANSPORTATION MANAGEMENT ASSOCIATION CFD NO. 99-01, FUND 2223, FOR FY2009/10**

**BACKGROUND**

- A. On July 20, 1999, the property owners within the boundaries of the North Natomas Transportation Management Association CFD No. 99-01 (CFD 99-01) (Exhibit A) voted to approve the formation of the district;
- B. CFD 99-01 formation was approved by the City Council on June 29, 1999;
- C. Property owners within the boundaries of CFD 99-01 are assessed a special tax to cover the cost of delivering transportation services and air quality mitigation services;
- D. Special taxes to be collected in FY2009/10 total \$1,021,749.
- E. Costs are estimated at \$1,469,490.
- F. The excess of costs over revenues will reduce a fund balance created by the collection of taxes in arrears last fiscal year.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Council finds and determines that the background statements A through E are true.
- Section 2. The Finance Director is authorized to amend the revenue and expenditure budgets of CFD 99-01 to \$1,021,749 and \$1,469,490 respectively, and as shown on Exhibit B.

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Exhibit A: Location Map -1 Page

Exhibit B: FY2009/10 Budget & Parcel Assessment -1 Page

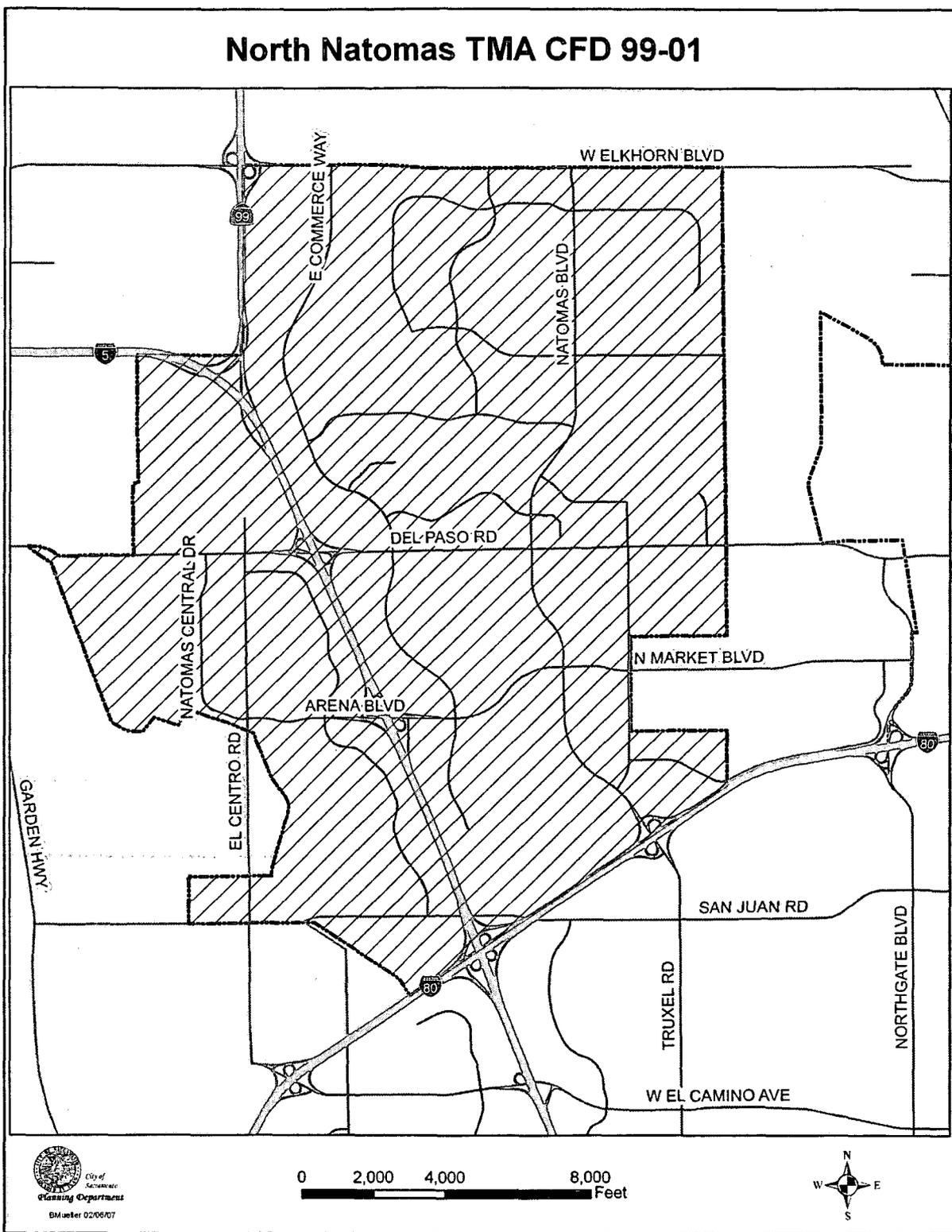


Exhibit B

**NORTH NATOMAS TRANSPORTATION MANAGEMENT ASSOCIATION  
CFD NO. 99-01  
FY2009/10 BUDGET**

Beginning Fund Balance	\$593,828
<b>Total Assessed to Property Owners</b>	<b>\$1,021,749</b>
Transportation Management Association	\$1,309,783
Special Districts Administration (PIF)	123,231
Billing Administration	
Consultant	22,199
Accounting	2,637
County	<u>11,640</u>
<b>Total Expenditures</b>	<b>\$1,469,490</b>
Ending Fund Balance (Contingency)	\$146,087

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**AMENDING THE REVENUE AND EXPENDITURE BUDGETS FOR THE NORTH NATOMAS NEIGHBORHOOD LANDSCAPE MAINTENANCE CFD NO. 99-02, FUND 2227, FOR FY2009/2010**

**BACKGROUND**

- A. On July 20, 1999, the property owners within the boundaries of the North Natomas Neighborhood Landscape Maintenance CFD No. 99-02 (CFD 99-02) (Exhibit A) voted to approve the formation of the district;
- B. CFD 99-02 formation was approved by the City Council on June 29, 1999;
- C. Property owners within the boundaries of CFD 99-02 are assessed a special tax to cover the cost of delivering services of maintenance needs for landscaped areas;
- D. Special taxes to be collected in FY2009/10 total \$193,981.
- E. Costs are estimated at \$272,304. The large surplus of revenues over costs is to provide adequate funds in the future when much higher maintenance by the City will be required.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

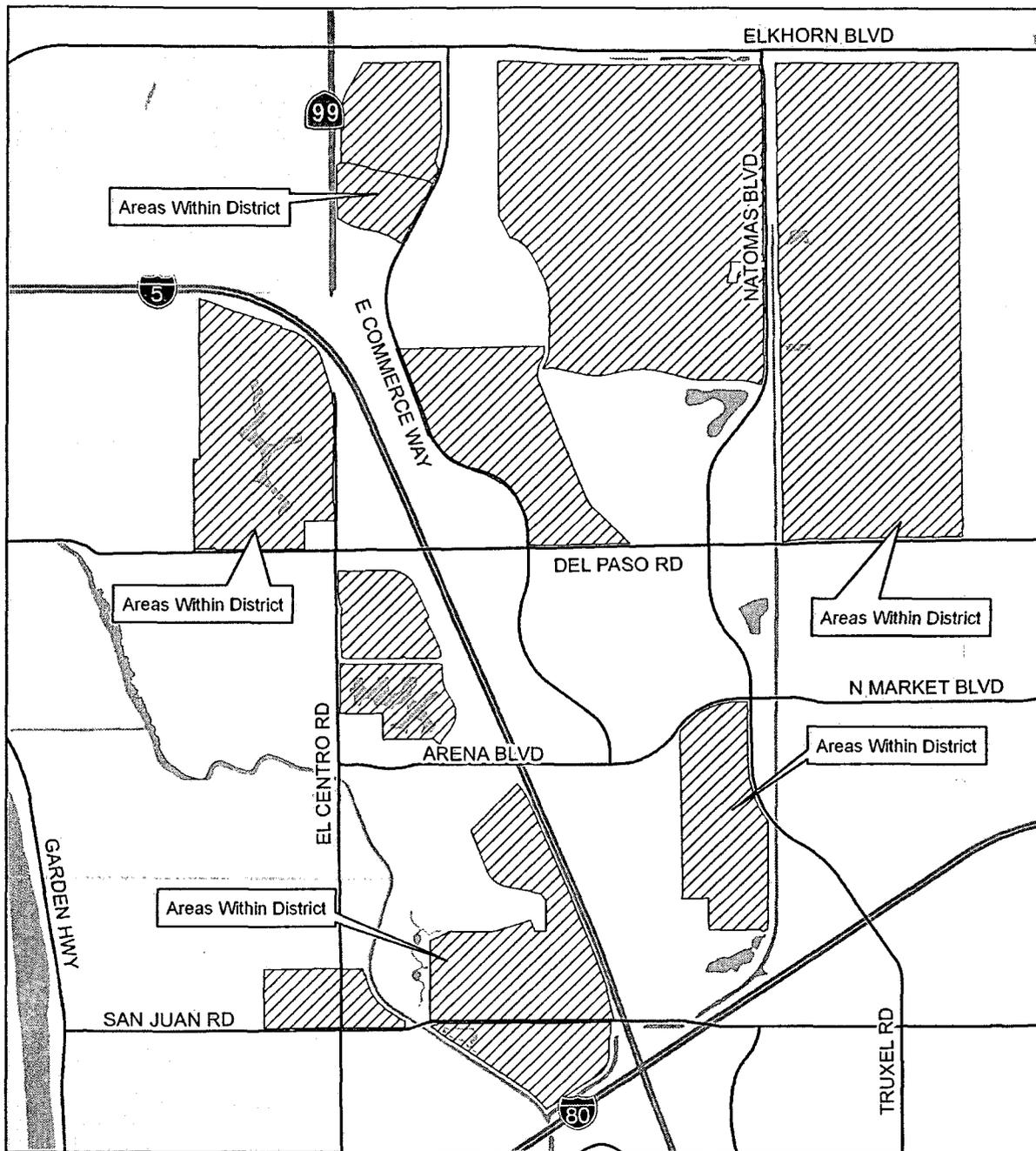
- Section 1. The City Council finds and determines that the background statements A through E are true.
- Section 2. The Finance Director is authorized to amend the revenue and expenditure budgets of CFD 99-02 to \$193,981 and \$272,304 respectively, and as shown on Exhibit B.

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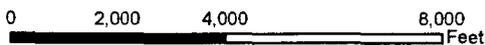
Exhibit A: Location Map -1 Page

Exhibit B: FY2009/10 Budget & Parcel Assessment -1 Page

# North Natomas Neighborhood Landscaping 99-02



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**NORTH NATOMAS NEIGHBORHOOD LANDSCAPE MAINTENANCE CFD NO. 99-02  
FY2009/10 BUDGET**

Beginning Fund Balance	\$1,768,349
<b>Total Assessed to Property Owners</b>	<b>\$193,981</b>
Maintenance Contract	
Transportation	\$231,153
Administration	
Special Districts Administration (PIF)	15,139
Billing Administration	
Consultant	15,476
Accounting	2,637
County	<u>7,899</u>
<b>Total Expenditures</b>	<b>\$272,304</b>
Ending Fund Balance (Contingency)	\$1,690,026

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**AMENDING THE REVENUE AND EXPENDITURE BUDGETS FOR THE  
NORTH NATOMAS LANDSCAPE MAINTENANCE CFD NO. 3,  
FUND 2230, FOR FY2009/10**

**BACKGROUND**

- A. On September 15, 1998, the property owners within the boundaries of the North Natomas Landscape Maintenance CFD No. 3 (CFD 3) (Exhibit A) voted to approve the formation of the district;
- B. CFD 3 formation was approved by the City Council on June 9, 1998;
- C. Property owners within the boundaries of CFD 3 are assessed a special tax to cover the cost of delivering services of maintenance needs for landscaped areas, parks trail, and off-street bikeways;
- D. Special taxes to be collected in FY2009/10 total \$1,100,771.
- E. Costs are estimated at \$1,717,502. The excess of costs over revenues will reduce the fund balance to more appropriate levels with the cessation of growth. There remain adequate funds for future requirements.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

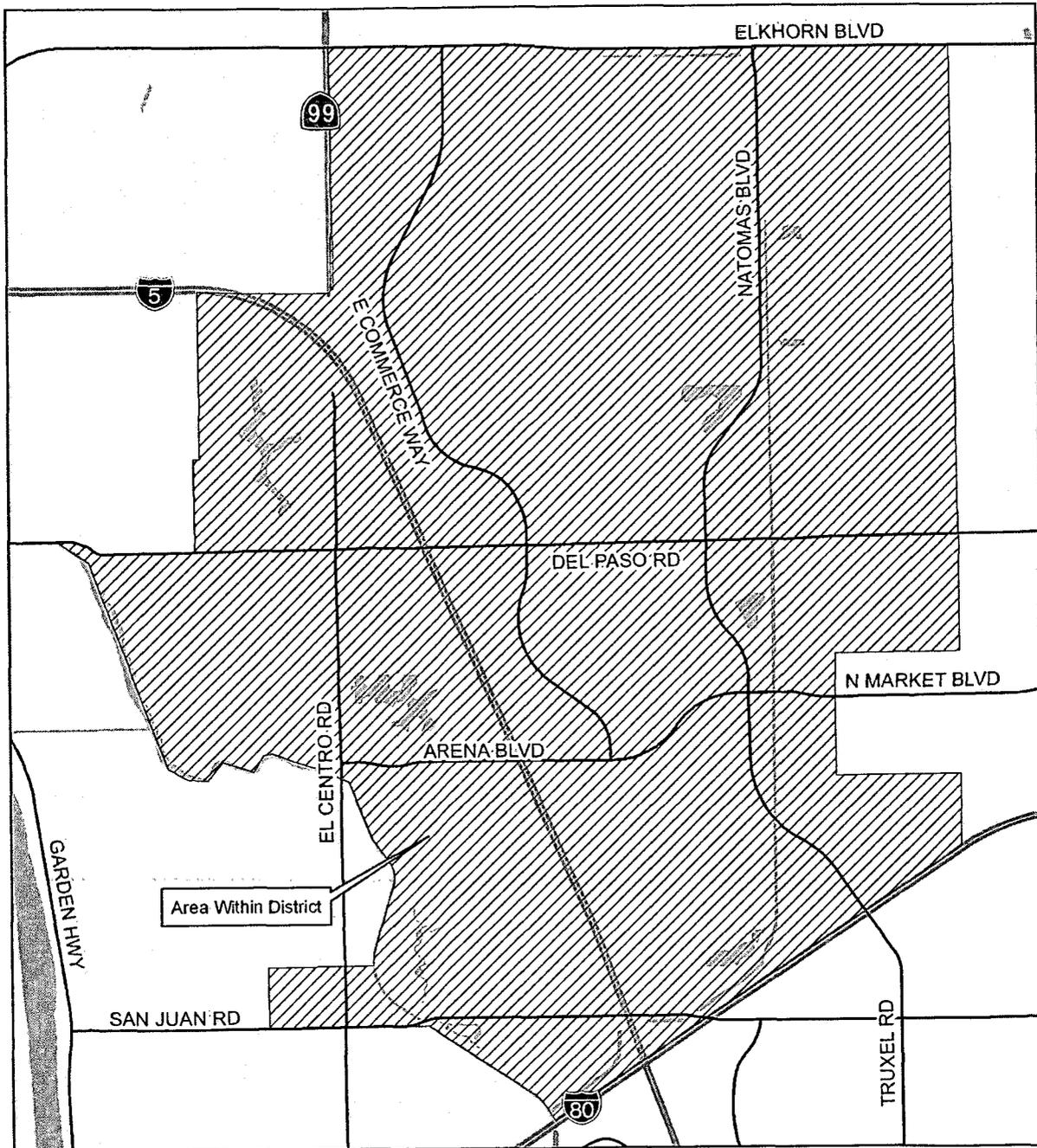
- Section 1. The City Council finds and determines that the background statements A through E are true.
- Section 2. The Finance Director is authorized to amend the revenue and expenditure budgets of CFD 3 to \$1,100,771 and \$1,717,502 respectively, and as shown on Exhibit B.

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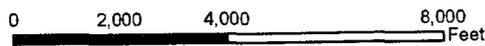
Exhibit A: Location Map -1 Page

Exhibit B: FY2009/10 Budget & Parcel Assessment -1 Page

### North Natomas CFD #3



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**NORTH NATOMAS LANDSCAPE MAINTENANCE CFD NO. 3  
FY2009/10 BUDGET**

Beginning Fund Balance	\$2,777,188
<b>Total Assessed to Property Owners</b>	<b>\$1,100,771</b>
Maintenance Contract	
Transportation	\$307,337
Utilities	1,310,608
Parks	67,774
Administration	
Special Districts Administration (PIF)	649
Billing Administration	
Consultant	22,298
Accounting	2,637
County	<u>11,695</u>
<b>Total Expenditures</b>	<b>\$1,722,998</b>
Ending Fund Balance (Contingency)	\$2,154,961

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**AMENDING THE REVENUE AND EXPENDITURE BUDGETS FOR THE  
NEIGHBORHOOD PARK MAINTENANCE CFD NO. 2002-02,  
FUND 2233, FOR FY2009/10**

**BACKGROUND**

- A. On July 16, 2002, the property owners within the Neighborhood Park Maintenance CFD No. 2002-02 (CFD 2002-02) boundaries, which are Citywide with approximately 14,690 residential units, voted to approve the formation of the district;
- B. CFD 2002-02 formation was approved by the City Council on June 25, 2002;
- C. Property owners within the boundaries of CFD 2002-02 are assessed a special tax to cover the cost of delivering services of maintenance needs for parks located throughout the City;
- D. Special taxes to be collected in FY2009/10 total \$983,872.
- E. Costs are estimated at \$971,181.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

- Section 1. The City Council finds and determines that the background statements A through E are true.
- Section 2. The Finance Director is authorized to amend the revenue and expenditure budgets of CFD 2002-02 to \$983,872 and 971,181 respectively, and as shown on Exhibit A.

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Exhibit A: FY2009/10 Budget & Parcel Assessment -1 Page

**NEIGHBORHOOD PARK MAINTENANCE CFD NO. 2002-02  
FY2009/10 BUDGET**

Beginning Fund Balance	\$(103,433)
Mid-Year Adjustment	195,356
<b>Total Assessed to Property Owners</b>	<b>\$983,872</b>
Maintenance	\$926,569
Special Districts Administration (PIF)	14,516
Billing Administration	
Consultant	18,100
Accounting	2,637
County	<u>9,359</u>
<b>Total Expenditures</b>	<b>\$971,181</b>
Ending Fund Balance (Contingency)	\$104,614

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**AMENDING THE REVENUE AND EXPENDITURE BUDGETS FOR THE  
NEIGHBORHOOD ALLEY MAINTENANCE CFD NO. 2003-04,  
FUND 2225, FOR FY2009/10**

**BACKGROUND**

- A. On October 9, 2003, the property owners within the boundaries of the Neighborhood Alley Maintenance CFD No. 2003-04 (CFD 2003-04) (Exhibit A) voted to approve the formation of the district;
- B. CFD 2003-04 formation was approved by the City Council on September 23, 2003;
- C. Property owners within the boundaries of CFD 2003-04 are assessed a special tax (Exhibit B) to cover the cost of delivering services for alley maintenance throughout the City;
- D. Special taxes to be collected in FY2009/10 total \$5,164.
- E. Costs are estimated at \$4,889. The surplus of revenues over expenses is to provide adequate funds for upcoming maintenance costs.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

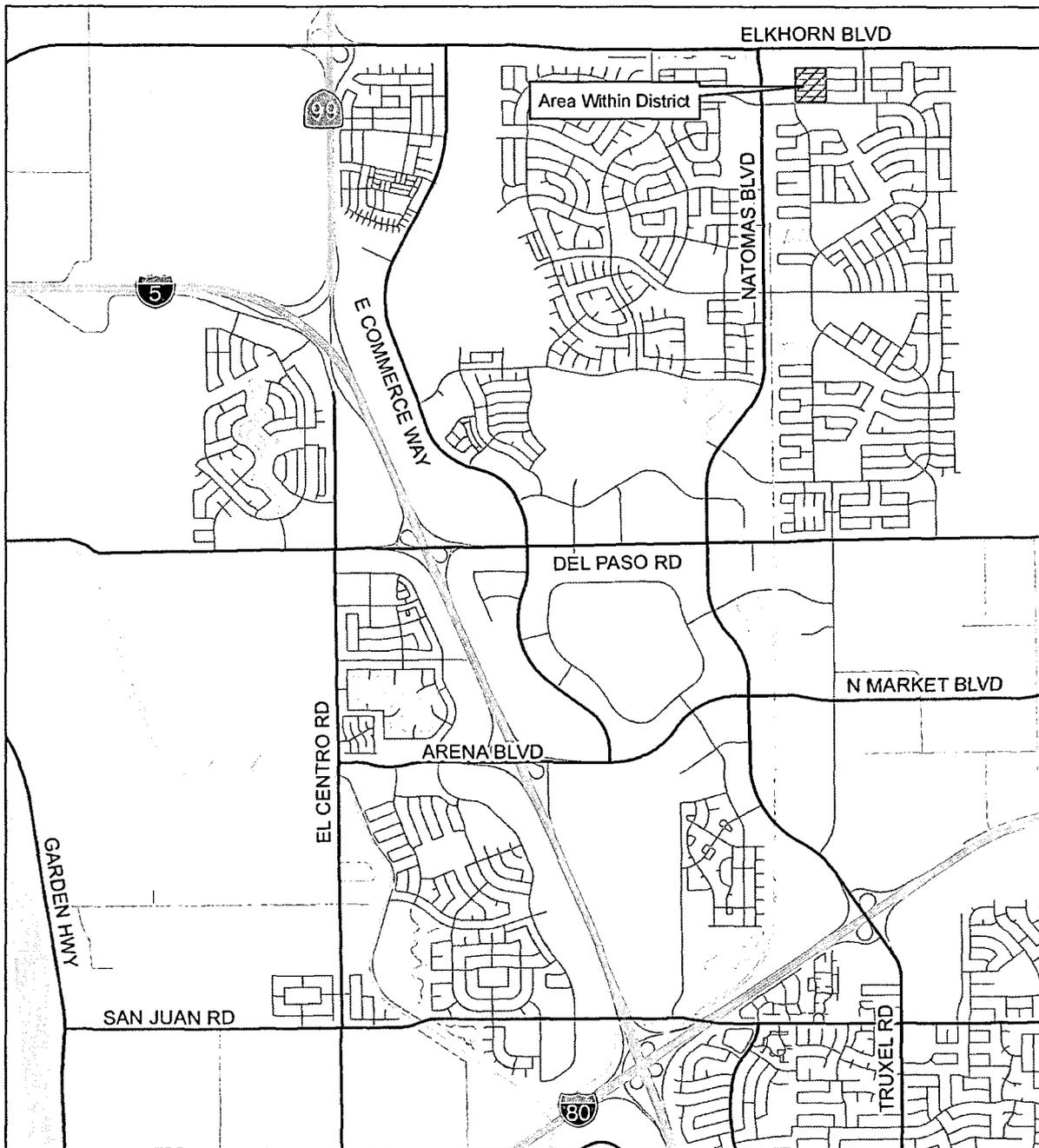
- Section 1. The City Council finds and determines that the background statements A through E are true.
- Section 2. The Finance Director is authorized to amend the revenue and expenditure budgets of CFD 2003-04 to \$5,164 and \$4,889 respectively, and as shown on Exhibit B.

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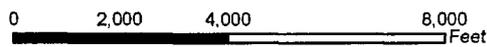
Exhibit A: Location Map -1 Page

Exhibit B: FY2009/10 Budget & Parcel Assessment -1 Page

### Neighborhood Alley Maintenance CFD No. 2003-04



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**NEIGHBORHOOD ALLEY MAINTENANCE CFD NO. 2003-04  
FY2009/10 BUDGET**

Beginning Fund Balance	\$12,963
<b>Total Assessed to Property Owners</b>	<b>\$5,164</b>
Maintenance	1,407
Special Districts Administration (PIF)	\$908
Billing Administration	
Consultant	1,599
Accounting	800
County	175
<b>Total Expenditures</b>	<b>\$4,889</b>
Ending Fund Balance (Contingency)	\$13,238

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**ESTABLISHING THE REVENUE AND EXPENDITURE BUDGETS FOR THE  
DEL PASO NUEVO LANDSCAPING CFD NO. 2006-06,  
FUND 2238, FOR FY2009/10**

**BACKGROUND**

- A. On January 9, 2007, the property owners within the boundaries of the Del Paso Nuevo Landscaping CFD No. 2006-06 (CFD 2006-06) (Exhibit A) voted to approve the formation of the district;
- B. CFD 2006-06 formation was approved by the City Council on December 12, 2006;
- C. Property owners within the boundaries of CFD 2006-06 are assessed a special tax (Exhibit B) to cover the cost of delivering services of maintenance needs for landscaped areas;
- D. Special taxes to be collected in FY2009/10 total \$19,036.
- E. Costs are estimated at \$11,210. The surplus of revenues over costs is to provide adequate funds for upcoming landscape maintenance.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

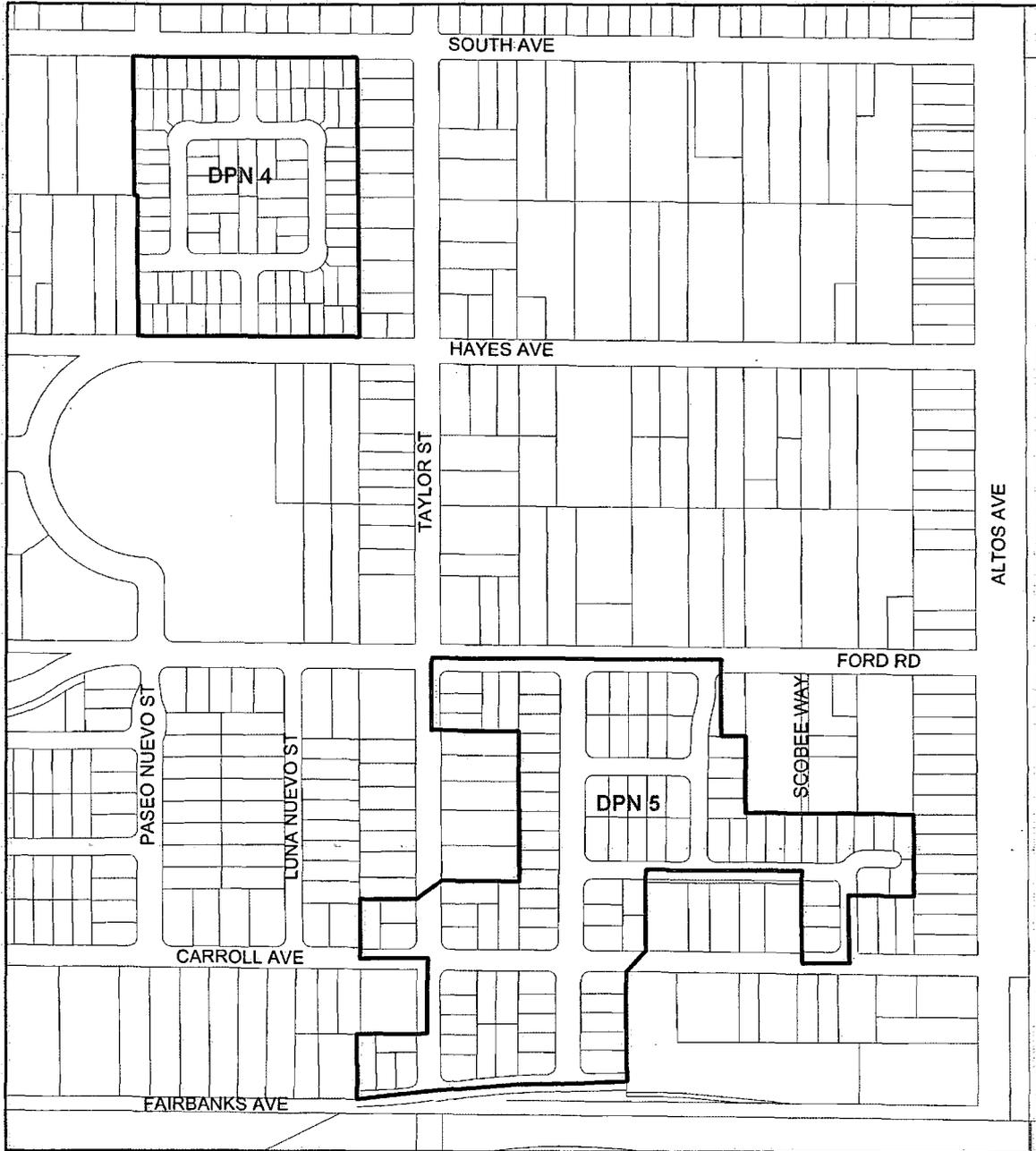
- Section 1. The City Council finds and determines that the background statements A through E are true.
- Section 2. The Finance Director is authorized to amend the revenue and expenditure budgets of CFD 2006-06 to \$19,036 and \$11,210 respectively, and as shown on Exhibit B.

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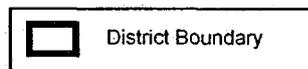
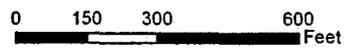
Exhibit A: Location Map -1 Page

Exhibit B: FY2009/10 Budget & Parcel Assessment -1 Page

### Del Paso Nuevo Landscaping CFD No. 2006-06



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City of  
Sacramento  
Planning Department  
B Mueller  
09/26/06



**DEL PASO NUEVO LANDSCAPING CFD NO. 2006-06  
FY2009/10 BUDGET**

Beginning Fund Balance	\$10,096
<b>Total Assessed to Property Owners</b>	<b>\$19,036</b>
Maintenance	5,057
Special Districts Administration (PIF)	\$1,596
Billing Administration	
Consultant	1,693
Accounting	2,637
County	<u>227</u>
<b>Total Expenditures</b>	<b>\$11,210</b>
Ending Fund Balance (Contingency)	\$17,922