



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
June 15, 2010

Honorable Mayor and
Members of the City Council

Title: Redding Avenue Landscaping Community Facilities District (CFD) No. 2010-04 - Initiate Proceedings

Location/Council District: Redding Avenue, District 6 (Exhibit A, Page 9).

Recommendation: Adopt a **Resolution** of intention to establish the Redding Avenue Landscaping Community Facilities District No. 2010-04 and set a time and place for a public hearing on July 20, 2010.

Contact: Mark Griffin, Fiscal Manager, (916) 808-8788

Presenters: Not Applicable

Department: Finance

Division: Public Improvement Financing

Organization No: 06001321

Description/Analysis

Issue: Property owners on Redding Avenue have requested the formation of the Redding Avenue Landscaping Community Facilities District (District). Approval of this formation will authorize the City to collect special taxes in an amount sufficient to provide funding for maintenance of landscaped areas to be constructed along the Redding Avenue corridor.

Policy Considerations: The procedures under which this District is being formed are set forth in Government Code sections 53311-53368.3, the Mello-Roos Community Facilities Act of 1982. The recommended action is consistent with the Strategic Focus Area of Sustainability and Livability.

Environmental Considerations: Under California Environmental Quality Act, administration and formation of the District does not constitute a project and therefore is exempt from review. (*Kaufman & Broad-South Bay, Inc. v. Morgan Hill Unified School District* (1992) 9 Cal.App.4th 464.)

Committee/Commission Action: None

Rationale for Recommendation: The actions in the recommended Resolution are required by the Mello-Roos Community Facilities Act of 1982 (Government Code sections 53339-53339.9) for formation of a new district.

Financial Considerations: There will be no cost to the City or the General Fund. The maximum annual special tax rate levied on parcel acreage for FY 2010/11 will be \$3.1042 per linear foot of landscaped frontage. The property owners will pay all costs associated with the District.

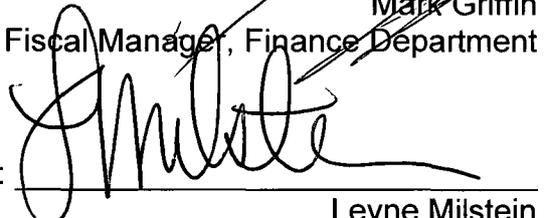
Each year the special tax will increase according to the Consumer Price Index – Urban Wage Earners and Clerical Workers (San Francisco / Oakland / San Jose), with a maximum increase in any year of 4%.

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

Respectfully Submitted by: _____


Mark Griffin
Fiscal Manager, Finance Department

Approved by: _____


Leyne Milstein
Director, Finance Department

Recommendation Approved:

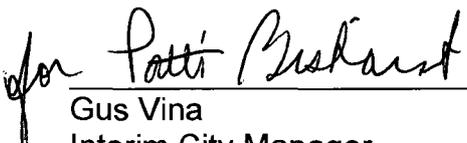

Gus Vina
Interim City Manager

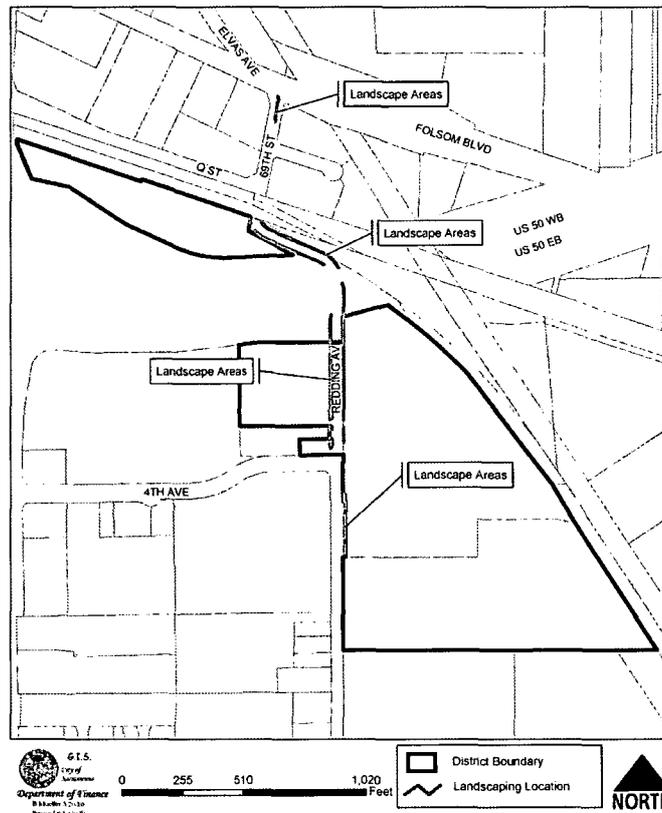
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BACKGROUND

Five owners of property on Redding Avenue have requested the establishment of a community facilities district to provide for the maintenance of landscaping improvements along Redding Avenue in excess of the City's basic landscaping maintenance. The improvements extend from Folsom Boulevard south along 69th Street with the majority of improvements on Redding Avenue beginning at the light rail tracks and extending to a point roughly 300 feet south of 4th Avenue.

Proposed Redding Avenue Landscaping CFD No. 2010-04



This district will be entitled "Redding Avenue Landscaping Community Facilities District No. 2010-04." When other parcel or subdivision maps are approved for this area, additional landowners could be conditioned to annex to the district.

SCHEDULE OF PROCEEDINGS

REDDING AVENUE LANDSCAPING COMMUNITY FACILITIES DISTRICT (CFD) NO. 2010-04 SCHEDULE

June 15, 2010	City Council - Resolution of Intention
June 16, 2010	Mail Notice of Hearing
July 20, 2010	City Council - Hearing, Call for Special Election
July 21, 2010	Mail Ballots
July 30, 2010	Ballots Due
August 10, 2010	City Council - Election Results & Pass for Publication Ordinance to Levy Tax
August 11, 2010	Record Notice of "Special Tax"
August 17, 2010	City Council - Adopt Ordinance to Levy Tax

RESOLUTION NO.

Adopted by the Sacramento City Council

RESOLUTION OF INTENTION TO ESTABLISH THE REDDING AVENUE LANDSCAPING COMMUNITY FACILITIES DISTRICT NO. 2010-04 AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE LANDSCAPING MAINTENANCE SERVICES

BACKGROUND

- A. The City Council has duly considered the advisability and necessity of establishing a community facilities district and levying a special tax therein to pay for landscape maintenance and related services to be provided within the district, under the Mello-Roos Community Facilities Act of 1982 (the "Act") and chapter 3.124 of the Sacramento City Code ("Chapter 3.124").
- B. The City Council has determined that the establishment of the district is consistent with Chapter 3.124 and follows the local goals and policies concerning the use of the Act that have been adopted by the City Council and are now in effect.
- C. The City Council is fully advised in this matter.

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

Section 1. Background statements A through C are accurate.

Section 2. The City Council hereby proposes to establish a community facilities district under Chapter 3.124 and the Act (the "District"). The boundaries of the territory proposed for inclusion in the District are shown on the map entitled "Redding Avenue Landscaping CFD No. 2010-04" attached to this resolution as Exhibit A. A map showing the proposed territory to be included in the District ("Boundary Map") is on file in the office of the City Clerk, is in the form required by section 3110 of the Streets and Highways Code, and is hereby approved. The City Clerk is directed to file a copy of the Boundary Map with the Sacramento County Clerk/Recorder within fifteen days hereafter, and in no event later than fifteen days before the hearing, for placement in the Book of Maps of Assessment and Community Facilities Districts, in accordance with section 3111 of the Streets and Highways Code.

Section 3. The name of the District is "Redding Avenue Landscaping Community Facilities District No. 2010-04."

Section 4. The District is being formed solely to provide landscaping maintenance and for related purposes, and will not finance capital improvements or issue bonds. The services provided by the District are set forth in Exhibit B to this resolution, all of which are as authorized by the Act and by Chapter 3.124. The District will also finance all costs and expenses normally incidental to the provision of the landscaping maintenance and related services, including but not limited to those for elections, engineering, contract supervision, planning, legal services, and City administration.

Section 5. Except where funds are otherwise available, a special tax sufficient to pay for the landscaping maintenance and related services, secured by recordation of a continuing lien against all nonexempt real property in the District, will be levied annually within the District. In accordance with Chapter 3.124, certain City-owned property within the District will be subject to the lien for the special tax. The tax is to be collected as a separately stated item on the county property-tax bill, but the City Council reserves the right to change the method of collection at any time. The special tax is to be apportioned according to the landscaped frontage by linear foot fronting each parcel in the District plus a proportional allocation of landscaped frontage by linear foot fronting other parcels improved by the Redding Avenue landscape improvement project, at the annual tax rate specified in Exhibit C to this resolution, the "Rate and Method of Apportionment of Special Tax." The rate shown in section C of Exhibit C is the maximum rate. The rate may be increased for inflation under Chapter 3.124, as specified in Exhibit C. If tax collections at the stated rate exceed the amount required to pay the Special Tax Requirement (as defined in Exhibit C), then the rate may be reduced in accordance with the formula set forth in Exhibit C. The special tax will be levied and collected until the City Council determines that the need for the landscaping maintenance services and for related purposes no longer exists.

Section 6. In accordance with section 53317.3 of the Act, the City Council intends to continue levying the special tax on real property, not otherwise exempt from the tax, that is acquired by a public entity through a negotiated transaction or by gift or devise.

Section 7. In accordance with section 53317.5 of the Act, the City Council intends to treat the obligation to pay the special tax levied against property that is acquired by a public entity through eminent-domain proceedings as if the tax were a special annual assessment.

Section 8. In accordance with section 53340.1 of the Act, the City Council intends to levy the special tax on the leasehold or possessory interests in property that is owned by a public agency (and is otherwise exempt from the special tax), to be payable by the owner of the leasehold or possessory interests in the property.

Section 9. In accordance with section 53325.7 of the Act, the City Council intends to establish an appropriations limit for the District, as defined by subdivision (h) of section 8 of article XIII B of the California Constitution.

Section 10. At 6:00 p.m. on July 20, 2010, in the Council Chambers at New City Hall, 915 I Street, First Floor, Sacramento, California, the City Council will hold a public hearing on the proposed establishment of the District, the territorial extent of the District, the types of services to be provided, the proposed levy of a special tax, and all other matters as set forth in this resolution. At the public hearing, any persons interested, including taxpayers, owners of property within the District, and any registered voters residing within the District, may appear and be heard, and the testimony of all interested persons for or against establishment of the proposed District the territorial extent of the District, the types of services to be provided, the levy of the special tax within the District, or any other matters set forth herein, will be heard and considered. Such protests may be made orally or in writing by any interested persons, except that protests pertaining to the regularity or sufficiency of the proceedings must be in writing and must clearly set forth the irregularities and defects to which the objection is made. The City Council may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests must be filed with the City Clerk on or before the time fixed for the public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of the public hearing. If, at the conclusion of the hearing, the City Council determines to proceed with establishing the District, then the question of levying the special tax will be submitted to the qualified electors of in an election conducted under section 53326 of the Act not less than 90 days nor more than 180 days thereafter, unless appropriate waivers pursuant to section 53326 have been filed with the City Clerk. The special tax may be levied if at least two-thirds of those voting approve the measure.

Section 11. The City Council finds that the public interest will not be served by allowing the owners of property in the District to enter into a contract under section 53329.5, subdivision (a), of the Act to perform the landscaping maintenance and related services to be financed under the Act and Chapter 3.124.

Section 12. The City Council directs Mark Griffin, Public Improvement Finance Manager of the Finance Department, to prepare the report required by section 53321.5 of the Act and to file the report with the City Council at or before the time of the hearing.

Section 13. The City Clerk is directed to give notice of the hearing in accordance with sections 53322 and 53322.4 of the Act, as follows:

- (a) By publishing in the *Daily Recorder*, a newspaper of general circulation published in the area of the District, a notice of public hearing in the form required by the Act. The City Clerk shall do this in accordance with section 6061 of the Government Code, and the publication must be completed at least seven days before the date set for the public hearing.
- (b) By mailing to each owner of property within the District and to each registered voter residing within the District, using prepaid first-class postage, a notice of public hearing in the form required by the Act. The mailing to property owners is to be to their addresses as shown on the records of the Sacramento County

Treasurer-Tax Collector or as otherwise known to the City Clerk. The mailing to registered voters is to be made to the registered voters at their addresses as shown on the records of the Sacramento County Registrar of Voters or as otherwise known to the City Clerk. The City Clerk shall complete all mailings at least fifteen days before the date set for the public hearing. The notice of hearing must include a description of the voting procedures.

Section 14. Exhibits A, B, and C are a part of this resolution

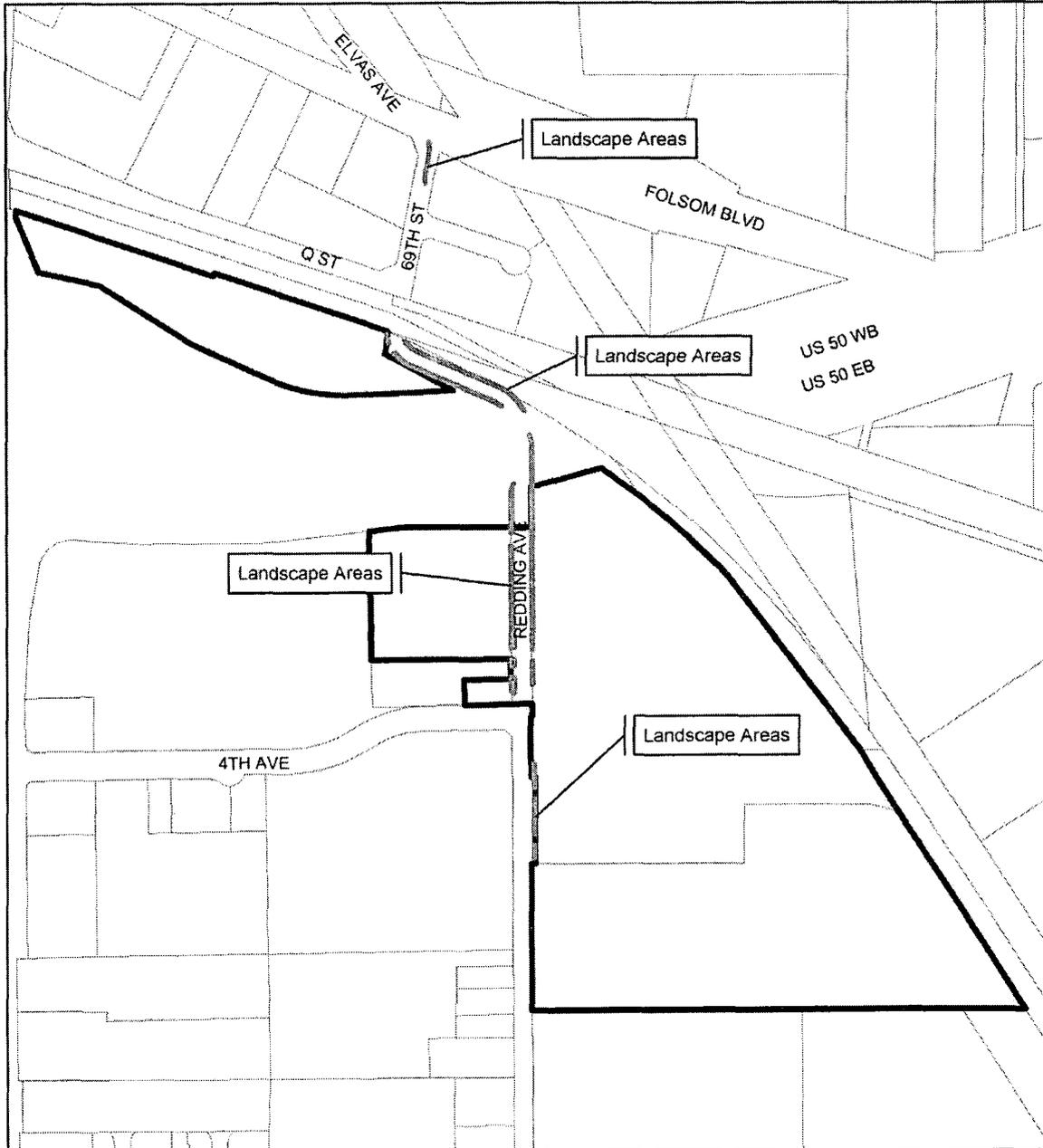
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Proposed Redding Avenue Landscaping CFD No. 2010-04



Redding Avenue Landscaping Community Facilities District No. 2010-04
List of Authorized Services

The authorized services to be financed with the special tax are set forth below. The special tax may be levied to pay for any authorized services or to accumulate funds for that purpose. The primary function of the District is to fund the maintenance of landscape areas within public rights-of-way.

The District's authorized services consist of the following:

1. The repair and maintenance of landscaping, irrigation facilities, lighting, soundwalls, monuments, signs, and other appurtenances within and along public rights-of-way.
2. Scheduled inspection of maintenance of landscaped areas.
3. Paying utility bills associated with maintenance of landscaped areas.
4. Establishing the District.
5. Collecting and administering the special tax and annually administering the District.
6. Miscellaneous costs related to any of the items described above including planning, engineering, legal, and administration.

CITY OF SACRAMENTO
REDDING AVENUE LANDSCAPING COMMUNITY FACILITIES DISTRICT NO. 2010-04

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A special tax applicable to each assessor's parcel in the City of Sacramento Redding Avenue Landscaping Community Facilities District No. 2010-04 (the District) will be levied and collected according to the tax liability determined by the City Council, through the application of the appropriate amount or rate for each taxable parcel within the District, as described below. All taxable parcels will be taxed for the purposes, to the extent, and in the manner herein provided, including parcels subsequently annexed to the District unless a separate Rate and Method of Apportionment of Special Tax (an "RMA") is adopted for the annexation area.

A. DEFINITIONS

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, chapter 2.5 of part 1 of division 2 of title 5 of the Government Code, commencing at section 53311.

"Administrator" means the person or firm designated by the City to administer the Special Tax according to this RMA.

"Administrative Expenses" means any or all of the following: the fees and expenses of the City in carrying out its duties with respect to the District, including but not limited to the levy and collection of the Special Tax; the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes; costs related to property owner inquiries regarding the Special Tax; and all other costs and expenses of the City in any way related to the establishment or administration of CFD No. 2010-04.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned assessor's parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"District" means the City of Sacramento Redding Avenue Landscaping Community Facilities District No. 2010-04.

"City" means the City of Sacramento.

"City Council" means the City Council of the City of Sacramento.

“**County**” means the County of Sacramento.

“**Final Map**” means a final map, or portion thereof, recorded pursuant to the Subdivision Map Act (Government Code section 66410 *et seq.*) that creates individual parcels.

“**Fiscal Year**” means the period starting July 1 and ending on the following June 30.

“**Improved Linear Footage**” means linear footage by parcel rounded up to the nearest whole foot of landscaped footage.

“**Maximum Special Tax**” means the maximum Special Tax, determined in accordance with Section C below that can be levied on a parcel in any Fiscal Year.

“**Special Tax**” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“**Special Tax Requirement**” means the amount necessary in any Fiscal Year to (1) pay the cost of providing authorized services and (2) cure any delinquencies in the payment of Special Taxes levied in prior Fiscal Years or (based on delinquencies in the payment of Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected.

B. DATA FOR ANNUAL ADMINISTRATION OF SPECIAL TAX

As of July 1 of each Fiscal Year, the Administrator shall (1) identify all parcels within the District, (2) determine the current Assessor's Parcel number for each parcel, and (3) calculate the Special Tax Requirement for the Fiscal Year for each parcel.

C. MAXIMUM SPECIAL TAX

The Maximum Special Tax for all parcels within the District for Fiscal Year 2010/11 is \$3.1042 per linear improved foot. On July 1, 2011, and each July 1 thereafter, the Maximum Special Tax will be increased (but not decreased) using the prior April's annual average for the Consumer Price Index – Urban Wage Earners and Clerical Workers (San Francisco / Oakland / San Jose) All Items. The maximum increase in any Fiscal Year may not exceed 4%.

D. METHOD OF LEVY AND COLLECTION OF THE SPECIAL TAX

The Administrator shall determine the Special Tax Requirement to be collected each Fiscal Year, and the Special Tax is to be levied proportionately on each parcel up to 100% of the Maximum Special Tax for the Fiscal Year until the amount levied is equal to the Special Tax Requirement for the Fiscal Year. The Special Tax is to be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill the Special Taxes and may collect

Special Taxes at a different time or in a different manner if needed.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City Council, by resolution, may interpret this RMA to clarify any vagueness or ambiguity as it relates to the Special Tax rates, method of apportionment, classification of properties, or any definition applicable to the District.

G. APPEALS

Any taxpayer who contends that the amount of the Special Tax assigned to the taxpayer's parcel is in error may file a notice with the City appealing the levy of the Special Tax. City staff shall then promptly review the appeal and, if necessary, meet with the taxpayer. If City staff verifies that the Special Tax should be modified, then City staff shall recommend to the City Council that the Special Tax levy be corrected and, if applicable, that a refund be granted. The City Council's action on the recommendation will be final.