



# City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814  
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**Meeting Date:** 6/21/2011

**Report Type:** Public Hearing

**Title:** Citywide Landscaping & Lighting Assessment District (Noticed on 6-9-11)

**Report ID:** 2011-00216

**Location:** Citywide

**Recommendation:** Conduct a public hearing and upon conclusion, adopt a Resolution confirming diagram and assessment and levying the assessment for Fiscal Year (FY) 2011/12 for the Citywide Landscaping and Lighting Assessment District.

**Contact:** Brian Wong, Program Specialist, (916) 808-5778, Finance Department; Mark Griffin, Program Manager, (916) 808-8788, Finance Department

**Presenter:** Brian Wong, Program Specialist, (916) 808-5778, Finance Department

**Department:** Finance

**Division:** Public Improvement Finance

**Dept ID:** 06001321

## **Attachments:**

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- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Proposed FY2011/12 Budget for the Citywide Landscaping and Lighting Assessment District
- 5-Resolution, Confirming Diagram and Levying Assessment

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### **City Attorney Review**

Approved as to Form  
Jeffrey C. Heeren  
6/14/2011 11:22:00 AM

### **City Treasurer Review**

Prior Council Financial Policy Approval or  
Outside City Treasurer Scope  
Russell Fehr  
6/3/2011 5:01:26 PM

### **Approvals/Acknowledgements**

Department Director or Designee: Leyne Milstein - 6/10/2011 1:05:05 PM

Assistant City Manager: Patti Bisharat - 6/13/2011 4:27:46 PM



## Description/Analysis

**Issue:** The Citywide Landscaping and Lighting Assessment District (District) is required by the California Streets and Highways Code to present an annual budget to City Council for approval. Approval of the annual budget will authorize the City to collect assessments which will partially fund the maintenance of the improvements in the District for FY2011/12. Corresponding revenue and expenditure budgets are included in the FY2011/12 Proposed Budget.

**Policy Considerations:** The annual proceedings for the District are being conducted as set forth in the Landscaping and Lighting Act of 1972 (1972 Act), California Streets and Highways Code Sections 22500, et seq. The District provides funding for a multitude of services throughout the City including: safety lighting and median maintenance, neighborhood street light maintenance, street tree maintenance, neighborhood park maintenance and capital improvements, and graffiti abatement.

### Environmental Considerations:

**California Environmental Quality Act (CEQA):** Under CEQA guidelines, annual proceedings of a Special District do not constitute a project, and are therefore exempt from review.

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

**Commission/Committee Action:** None

**Rationale for Recommendation:** The recommended actions in the Resolution are required by the California Streets and Highways Code, as set forth in Section 22500 of the 1972 Act, for annual proceedings of an existing district.

**Financial Considerations:** Each year the District assessment and budget is developed taking into consideration several factors including the cost of services, the projected number of parcels in each assessment category, and the amount of projected surplus/deficit in the District fund balance at the end of the current fiscal year. The proposed budget and changes over the current year are shown on page 6. The proposed increase in the FY2011/12 assessment by land use category is 2.82%, a percentage determined by the change in the April 2011 CPI index associated with the San Francisco area, all items, but not to exceed 3% in any year.

The proposed FY2011/12 District budget will total \$14,360,433, an increase of \$544,954 over the current FY2010/11 District budget. Assessment revenue is estimated to be \$14,167,354. The District has funds available in fund balance to cover the difference.

**Emerging Small Business Development (ESBD):** City Council approval of these proceedings is not affected by City policy related to the ESBD Program.

## BACKGROUND

The Citywide Landscaping & Lighting District (District) was established in August of 1989. The District contributes funding for the maintenance and rehabilitation of City parks and other public landscaped areas, street tree maintenance, and the energy and maintenance cost of streetlights throughout the City. Property owners are assessed in accordance with a series of benefit formulas adopted by City Council in 1989. Annual assessments are paid by property owners along with their regular County property taxes. Each year the City must update and adopt the annual Engineer's Report and approve the assessment.

The budget is arranged in three categories as described below. In addition to the maintenance activity, each category also contains a proportionate share of the administration and billing costs.

- 1) **Street Related Operations and Maintenance:** This section contains the budget for safety lighting, neighborhood lighting, median maintenance, and street tree maintenance.
- 2) **Bonded Indebtedness:** A portion of the annual District budget goes toward the payment of debt service on 20-year bonds sold in 1996 to finance park improvements. These bonds will expire after tax year 2016.
- 3) **Ongoing Park Maintenance, Park Improvements, and Graffiti Abatement:** This section contains the park maintenance budget, the graffiti abatement program, and funding for park capital improvement projects (CIP). The voters approved this portion in November 1996.

The District contains a provision for an annual adjustment in budget and assessments to account for inflation. The district allows for an annual increase based on the Consumer Price Index (CPI) as measured in April for the prior twelve months for the San Francisco area, all items, but not to exceed 3% in any year. The change in the April 2011 CPI is 2.82% over the prior 12 months for the April-to-April All Urban Consumers for San Francisco-Oakland-San Jose. Therefore, the assessment rate increase for FY2011/12 will be 2.82%.

The detailed assessment structure by land use is provided as Exhibit A to the Resolution.



## SCHEDULE OF PROCEEDINGS

### CITYWIDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT FY2011/12 SCHEDULE

May 31, 2011 Council Considers Resolution of Intention and Sets Date for Public Hearing

June 9, 2011 Publish Notice of Meeting and Hearing

<b>June 21, 2011</b>	<b>Hold Public Hearing Council Orders Annual Levy</b>
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August 2011 Assessments to County for Placement on Tax Roll



**PROPOSED FY2011/12 BUDGET FOR  
CITYWIDE LANDSCAPING AND LIGHTING DISTRICT  
(With 2.82% CPI adjustment increase in assessments)**

	<b>Approved FY2010/11</b>	<b>Proposed FY2011/12</b>
<b><u>Street Related Operations &amp; Maintenance:</u></b>		
Safety Lighting & Medians	\$1,787,909	\$1,868,394
Neighborhood Street Lighting Maintenance	3,505,902	3,641,695
Tree Maintenance – Residential	3,299,092	3,425,060
Tree Maintenance – Non-Residential	1,124,643	1,190,901
Administration & Billing	<u>187,460</u>	<u>174,348</u>
<b>Subtotal Street Related O&amp;M</b>	<b>\$9,905,006</b>	<b>\$10,300,398</b>
 <b><u>Ongoing Park Maintenance:</u></b>		
Park Maintenance & Improvements	\$2,929,649	\$3,065,457
Graffiti Abatement	156,807	167,868
Administration & Billing	<u>59,540</u>	<u>55,401</u>
<b>Subtotal Ongoing Park Maintenance:</b>	<b>\$3,145,996</b>	<b>\$3,288,726</b>
 <b><u>Bonded Indebtedness:</u></b>		
Park CIP Improvements	\$757,698	\$764,299
Administration & Billing	<u>6,779</u>	<u>7,010</u>
<b>Subtotal Bonded Indebtedness</b>	<b>\$764,477</b>	<b>\$771,309</b>
Less Debt Service	(\$585,175)	(\$586,938)
Excess Available for Parks CIP	\$172,523	\$177,361
 <b>TOTAL DISTRICT BUDGET</b>	 <b>\$13,815,479</b>	 <b>\$14,360,433</b>
Fund Balance Offset	(\$349,999)	(\$193,079)
 <b>TOTAL ASSESSED TO PROPERTY OWNERS:</b>	 <b>\$13,465,480</b>	 <b>\$14,167,354</b>



# RESOLUTION NO.

Adopted by the Sacramento City Council

## **CONFIRMING DIAGRAM AND ASSESSMENT AND LEVYING ASSESSMENT FOR THE CITYWIDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 2 FOR FISCAL YEAR (FY) 2011/12**

### **BACKGROUND:**

- A.** The Citywide Landscaping and Lighting Assessment District No. 2 (District), was established by the City Council (Council) on August 1, 1989. The Council adopted Resolution No. 89-600 thereby approving Assessment District No. 2 for all developed properties within the City of Sacramento.
- B.** The Council established the District under the Landscaping and Lighting Act of 1972 (Part 2 of Division 15 in the Streets and Highways Code, beginning with Section 22500) (the 1972 Act), and has previously levied assessments on property in the District to pay for landscaping and lighting maintenance services and related services to be provided within the District, all in accordance with the 1972 Act.
- C.** Pursuant to Chapter 3 of the 1972 Act, Council directed the Supervising Engineer of the Department of Transportation, as the Engineer of Work for the District, to prepare and file an Annual Report for FY2011/12.
- D.** The Engineer of Work filed the Annual Report on May 31, 2011, and Council adopted the Resolution approving the Engineer's Annual Report and Intention to levy and collect assessments within the assessment district for FY2011/12 and set a public hearing for June 21, 2011, in the meeting place of Council, City Hall, 915 I Street, First Floor, Sacramento, California. Notice of the hearing was given in the time and manner required by law.
- E.** The FY2011/12 assessments are increased by the change between the April 2011 and the April 2010 Consumer Price Index, and equal to the highest authorized amount for the District shown on Exhibit A.
- F.** The Council is fully advised in this matter.

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

**Section 1.** The City Council:

- a) Confirms the assessment diagram and the assessment roll set forth in the Engineer's Annual Report on file with the Public Improvement Financing unit of the Finance Department, designated by the City Clerk to be the repository of documents associated with special districts and approved by City Council on May 31, 2011; and;
- b) Levies the assessment set forth in the Engineer's Annual Report.

**Section 2.** Exhibit A is part of this resolution.

**Table of Contents:**

Exhibit A: FY2011/12 District Budget & Parcel Assessments

**EXHIBIT A**  
**CITYWIDE LANDSCAPING & LIGHTING DISTRICT FISCAL YEAR 2011/12**  
**DISTRICT BUDGET AND PARCEL ASSESSMENTS**

**DISTRICT BUDGET**

<i>Estimated</i> Beginning Fund Balance (FY2011/12)	\$ 2,523,774
Total Assessed to Property Owners	14,167,354
Street Related Operations & Maintenance	10,126,050
Park Maintenance & Graffiti Abatement	3,233,325
Bonded Indebtedness	764,299
Administration & Billing	236,759
Total Expenditures	\$14,360,433
<i>Estimated</i> Ending Fund Balance	\$2,330,695
Year-Over-Year Change in Fund Balance	(\$193,079)

## PARCEL ASSESSMENTS

Assessment Components	Single Family Residence	Multi-Family Residence	Business Property (Parcel Square Ft.)			Church
			0-25,000	25,001-100,000	100,001 or more	
<b><u>Street Related O&amp;M:</u></b>						
Safety & Neighborhood Lighting Maintenance & Replacement Program, Median Maintenance & Construction, Tree Maintenance			\$114.81	\$574.03	\$1,193.98	\$32.80
With Lights:	\$53.67	\$37.57				
Without Lights:	\$25.84	\$18.09				
<b><u>Bonded Indebtedness:</u></b>						
CIP-Park Improvements	\$4.07	\$2.77	\$6.04	\$30.18	\$62.77	\$1.72
<b><u>Park Facilities &amp; Related O&amp;M:</u></b>						
Park Maint., Youth Employment Program, Graffiti Abatement	\$16.64	\$11.33	\$28.46	\$142.30	\$295.98	\$8.13
<b>Total Proposed Assessment (FY11/12):</b>			<b>\$149.31</b>	<b>\$746.51</b>	<b>\$1,552.73</b>	<b>\$42.65</b>
<b>With Lights:</b>	<b>\$74.38</b>	<b>\$51.67</b>				
<b>Without Lights:</b>	<b>\$46.55</b>	<b>\$32.19</b>				
<i>Current Year Assessment (FY10/11):</i>			<i>\$146.94</i>	<i>\$734.63</i>	<i>\$1,528.00</i>	<i>\$41.98</i>
<i>With Lights:</i>	<i>\$72.46</i>	<i>\$50.33</i>				
<i>Without Lights:</i>	<i>\$45.39</i>	<i>\$31.38</i>				
<i>Change in assessment with 2.82% CPI increase adjustment:*</i>			<i>\$2.37</i>	<i>\$11.88</i>	<i>\$24.73</i>	<i>\$0.67</i>
<i>With Lights:</i>	<i>\$1.92</i>	<i>\$1.34</i>				
<i>Without Lights:</i>	<i>\$1.16</i>	<i>\$0.81</i>				