



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
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Meeting Date: 7/12/2011

Report Type: Public Hearing

Title: Village Garden Landscape Maintenance District No. 2011-01 - Public Hearing

Report ID: 2011-00330

Location: District 2

Recommendation: Conduct a public hearing and, upon conclusion, direct the City Clerk to: 1) tabulate the assessment ballots received and not withdrawn before the public hearing closed, and 2) report back as a Consent item on July 19, 2011, with the tabulation results.

Contact: Brian Wong, Program Specialist, (916) 808-5778, 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:

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Description of District Maintenance Services
- 5-District Boundary Map

City Attorney Review

Approved as to Form
Jeffrey C. Heeren
7/5/2011 10:20:20 AM

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
Russell Fehr
6/22/2011 4:40:40 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 6/27/2011 10:31:23 AM

Assistant City Manager: Cassandra Jennings - 7/5/2011 10:10:43 AM



Description/Analysis

Issue: The property owners within North Pointe subdivisions one through five and the Norwood subdivision have petitioned the City of Sacramento to form the Village Garden Landscape Maintenance District No. 2011-01 (District) to resume maintenance services in the area.

In response, staff initiated proceedings on May 24, 2011, to form the proposed District. City Council (Council) adopted Resolution No. 2011-296 that: (1) set July 12, 2011, as the date for a public hearing on the proposed District, and (2) directed staff to mail assessment ballots and notices of public hearing to owners of real property within the proposed District. At the conclusion of the public hearing, the City Clerk will tabulate the assessment ballots received and not withdrawn and staff will report the results of the tabulation at the Council meeting on July 19, 2011. If there is no majority protest from ballots submitted and not withdrawn, staff will recommend that the Council adopt a resolution declaring the results of the majority protest proceedings and establish the District.

Policy Considerations: The recommended action supports funding for landscape maintenance services in the District via property-based assessments.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under CEQA guidelines, administration and formation of the District does not constitute a project and is therefore exempt from review.

Sustainability: There are no sustainability considerations applicable to the formation or renewal and administration of an assessment district.

Commission/Committee Action: None

Rationale for Recommendation: The actions are required by the California Streets and Highways Code Part 2 (beginning with Section 22585) of Division 15 for the formation of an assessment district, Article XIID of the California Constitution, and the Proposition 218 Omnibus Implementation Act.

Financial Considerations: The proposed assessment of \$155.44 per single-family residential parcel will be used to cover the expenses associated with maintenance services and administration provided in the new District. The total estimated budget for the District in Fiscal Year 2011/12 is \$36,684 as detailed in the background section of this report. Future assessment rates may be subject to

an increase based on the February-over-February change in the Consumer Price Index for the San Francisco-Oakland-San Jose area (All Urban Consumers). The District is self-supporting and has no impact to the General Fund.

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



BACKGROUND

On December 8, 1987, the City Council (Council) adopted Resolution No. 87-1012 ordering the formation of the Village Garden North Landscaping and Lighting Assessment District 1987-01 (District 87-01). During the annual proceedings for Fiscal Year (FY) 2001/02, Council changed the name of the district to Village Garden Landscape Maintenance District. District 87-01 was formed to provide funding to maintain frontage landscaping for 208 residential parcels.

At the time of the District 87-01 formation, a maximum authorized assessment of \$100.00 per residential parcel was established. The maximum authorized assessment did not contain a provision to allow flexibility in adjusting the assessment cap on an ongoing or as needed basis. Since FY2008/09, the actual assessment of property owners in District 87-01 was set at the maximum authorized level. However, with rising operating costs, actual maintenance and operating expenses of District 87-01 outpaced District 87-01 revenue. The District 87-01 fund balance had been used over the last several years to cover the imbalance between District 87-01 revenue and expenses, but unfortunately, the District 87-01 fund balance has nearly been depleted and was deemed insufficient to cover the projected financial shortfall in FY2010/11. Staff reviewed all possible options to reduce costs and determined that an increase in the assessment was necessary to fund the required maintenance services.

On June 1, 2010, staff prepared a report for Council's consideration – the intent to reform District 87-01 in an effort to bring assessment revenue levels in line with the actual costs of operating the district. Staff recommended the dissolution of District 87-01 and the formation of the Village Garden Landscape Maintenance District No. 2010-03 (District 10-03). Assessment ballot packages were mailed to property owners of record requesting an increase in the assessment rate from \$100.00 to \$140.56 per single-family residential parcel beginning in FY2010/11. Unfortunately, based on the results of the ballots returned to the City and not withdrawn, a majority protest existed. The majority protest led to abandoning formation proceedings for District 10-03. As such, District 87-01 was dissolved on August 5, 2010, and maintenance of the district was turned over to property owners in the area as a result of the City's financial inability to continue to supplement the ongoing costs of District 87-01.

Subsequent Events

In November 2010, City staff began receiving inquiries regarding the effects of the discontinuation of maintenance services and irrigation previously provided by the City. Interest was expressed by numerous property owners as to re-forming the Village Garden Maintenance District and having the City resume maintenance and irrigation services. A petition was provided to property owners in the original District 87-01

boundary (inclusive of the Village Garden North subdivisions one through five). Additionally, interest was expressed by property owners in the adjacent Norwood subdivision. Petitions received and validated by City staff represent the majority of the 236 property owners within the boundary of the proposed Village Garden Landscape Maintenance District No. 2011-01 (District) who are interested in re-forming the district and paying an associated assessment.

On May 24, 2011, staff initiated proceedings to form the proposed District. If the formation of the proposed District is approved by affected property owners, property owners will be assessed \$155.44 per residential parcel beginning in FY2011/12 (the first year of District operations) with subsequent changes to the assessment rate based on the change in the Consumer Price Index for the San Francisco-Oakland-San Jose area (All Urban Consumers). Maintenance services in the District are expected to resume around August 1, 2011. However, if affected property owners do not approve the formation of the District, affected property owners will continue to be responsible for the maintenance services in the area.

Assessment Budget

If the formation of the proposed District is approved by affected property owners, the total budget for the first year (FY2011/12) will be **\$36,684**. The District budget for FY2011/12 is as follows:

**Village Garden Landscape Maintenance District No. 2011-01
FY2011/12 Budget**

Program	Budget	% of Total
Maintenance Tasks		
One-time Cleanup Costs	\$ 1,200	3.27
Maintenance Contract	11,400	31.08
Inspections and Corrective Action	5,000	13.63
Utilities – water costs and irrigation	7,705	21.00
Total Maintenance Expenses	\$25,305	68.98
Administrative Expenses and Contingency		
Special Districts Administration	\$ 3,750	10.22
Annual Billing and Accounting Administration	1,587	4.33
Contingency for Masonry Repair (Sound wall)	6,042	16.47
Total Administrative Expenses and Contingency	\$11,379	31.02
TOTAL DISTRICT EXPENSES	\$36,684	100.00

Public Hearing and Tabulation of Assessment Ballots

On May 24, 2011, Council adopted Resolution No. 2011-296 that: (1) set July 12, 2011, as the date for a public hearing on the proposed District, and (2) directed staff to mail assessment ballots and notices of public hearing to owners of real property within the proposed District. At the conclusion of the hearing, the City Clerk will report the results of the ballot tabulation at the Council meeting on July 19, 2011. If there is no majority protest from ballots submitted and not withdrawn, staff will recommend that the Council adopt a resolution declaring the results of the majority protest proceedings and establish the District.



SCHEDULE OF PROCEEDINGS

VILLAGE GARDEN LANDSCAPE MAINTENANCE DISTRICT NO. 2011-01 FY2011/12

May 24, 2011 Council considers Resolution of Intention and Sets Date for Public Hearing

May 26, 2011 Mailing of Ballots and Public Hearing Notices

July 12, 2011 City Council – Public Hearing

July 19, 2011 City Council – Ballot Results

If formation effort is approved by property owners:
Resolution Ordering Assessment for District for FY2011/12
(Resolution of Formation)

If formation is not approved by property owners:
Resolution Abandoning Formation Proceedings

If the proposed District is approved:

August 2011 New assessments are placed on the County Tax Roll for Tax Year 2011/12



Village Garden Landscape Maintenance District No. 2011-01 Maintenance Description

The Services to be provided within the district include:

- Weekly mowing of grass, exceptions will occur during winter months.
- As required trimming of trees and shrubs, no less than quarterly.
- Fertilizing of planted materials.
- Repair of masonry walls (as necessary).
- Repair, Maintenance, and Replacement of Landscaping and Irrigation Systems for the landscape areas within or adjacent to the residential subdivisions in the district.



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DISTRICT BOUNDARY MAP

Village Garden Landscape
Maintenance District No. 2011-01

