



City of Sacramento City Council

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

Meeting Date: 6/19/2012

Report Type: Public Hearing

Title: Citywide Landscaping & Lighting Assessment District - Public Hearing

Report ID: 2012-00138

Location: Citywide

Recommendation: Conduct a public hearing and upon conclusion, pass a Resolution confirming diagram and assessment and levying the assessment for Fiscal Year (FY) 2012/13 for the Citywide Landscaping and Lighting Assessment District.

Contact: Diane Morrison, Program Specialist, Finance Department, (916) 808-7535; Mark Griffin, Program Manager, (916) 808-8788, Finance Department

Presenter: Diane Morrison, Program Specialist, Finance Department, (916) 808-7535

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Proposed FY2012-13 Budget for the Citywide Landscaping and Lighting Assessment District
- 5-Resolution, Confirming Diagram and Levying Assessment

City Attorney Review

Approved as to Form
Jeffrey Heeren
6/12/2012 10:44:11 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
5/31/2012 4:56:51 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 6/7/2012 9:11:59 AM

Description/Analysis

Issue: The Citywide Landscaping and Lighting Assessment District (District) is required by the California Streets and Highways Code to present an annual report to City Council for approval. Approval of the annual report will authorize the collection of assessments to fund the maintenance of the improvements in the District for FY2012/13.

Policy Considerations: The District provides funding for a variety 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 attached resolution are required by the California Streets and Highways Code, as set forth in Section 22500 of the Landscaping and Lighting Act of 1972, 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. As shown on Attachment 4, the proposed FY2012/13 District budget will total \$14,954,088, an increase of \$593,657 or 4.1% over the current FY2011/12 District budget.

The proposed increase in the FY2012/13 assessment by land use category is 2.08%, a percentage determined by the change in the April 2012 Consumer Price Index (CPI) associated with the San Francisco area, all items, but not to exceed 3% in any year. The balance of the increase to the budget is being funded from fund balance.

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 obtain approval of the assessment associated with the land use designation.

The budget is divided into 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: 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: Park maintenance, the graffiti abatement, and funding for park capital improvement projects. This portion of the assessment was approved by voters in November 1996.



SCHEDULE OF PROCEEDINGS

CITYWIDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT FY2012/13 SCHEDULE

May 29, 2012 Council Considers Resolution of Intention and Sets Date for Public Hearing

June 7, 2012 Publish Notice of Meeting and Hearing

June 19, 2012	Public Hearing: Council Orders Annual Levy
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August 2012 Assessments to County for Placement on Tax Roll



**PROPOSED FY 2012/13 BUDGET FOR
CITYWIDE LANDSCAPING AND LIGHTING DISTRICT
With 2.08% CPI adjustment increase in assessments**

	Approved FY2011/12	Proposed FY2012/13
<u>Street Related Operations and Maintenance:</u>		
Safety Lighting and Medians	\$1,868,394	\$2,040,687
Neighborhood Street Lighting Maintenance	3,641,695	3,855,226
Tree Maintenance – Residential	3,425,060	3,616,893
Tree Maintenance – Non-Residential	1,190,901	1,225,458
Administration and Billing	<u>174,348</u>	<u>154,322</u>
Subtotal Street Related O and M	\$10,300,398	\$10,892,586
<u>Ongoing Park Maintenance:</u>		
Park Maintenance & Improvements	\$3,065,456	\$3,243,814
Graffiti Abatement	167,867	178,908
Administration & Billing	<u>55,401</u>	<u>49,189</u>
Subtotal Ongoing Park Maintenance:	\$3,288,724	\$3,471,911
<u>Bonded Indebtedness:</u>		
Park CIP Improvements	\$764,299	\$582,463
Administration and Billing	<u>7,010</u>	<u>7,128</u>
Subtotal Bonded Indebtedness	\$771,309	\$589,591
TOTAL DISTRICT BUDGET	\$14,360,431	\$14,954,088
Fund Balance Offset	(350,000)	(543,129)
TOTAL ASSESSED TO PROPERTY OWNERS:	\$14,010,431	\$14,410,959



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) 2012/13

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) (“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 the FY2012/13.
- D. The Engineer of Work filed the Annual Report on May 29, 2012, and Council adopted the Resolution approving the Engineer’s Annual Report and Intention to levy and collect assessments within the assessment district for FY2012/13 and set a public hearing for June 19, 2012, 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 FY2012/13 assessments are increased by the change between the April 2012 and the April 2011 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 (PIF) of the Department of Finance, designated by the City Clerk to be the repository of documents associated with special districts and approved by City Council on May 29, 2012; 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: FY2012/13 District Budget & Parcel Assessments

EXHIBIT A
CITYWIDE LANDSCAPING & LIGHTING DISTRICT FISCAL YEAR 2012/13
DISTRICT BUDGET AND PARCEL ASSESSMENTS

DISTRICT BUDGET

<i>Estimated</i> Beginning Fund Balance (FY2012/13)	\$ 3,172,111
Total Assessed to Property Owners	<u>14,410,959</u>
Total Resources	\$17,583,070
Street Related Operations & Maintenance	10,738,264
Park Maintenance & Graffiti Abatement	3,422,722
Bonded Indebtedness	582,463
Administration & Billing	<u>210,639</u>
Total Expenditures	\$14,954,088
<i>Estimated</i> Ending Fund Balance	\$2,628,982
Year-Over-Year Change in Fund Balance	(\$543,129)

PARCEL ASSESSMENTS

PROPOSED ANNUAL ASSESSMENTS FOR FY2012/13						
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	
<p><u>Street Related O&M:</u></p> <p>Safety & Neighborhood Lighting Maintenance & Replacement Program, Median Maintenance & Construction, Tree Maintenance</p> <p style="padding-left: 40px;">With Lights: \$54.79 \$38.35</p> <p style="padding-left: 40px;">Without Lights: \$26.37 \$18.46</p>			\$116.02	\$580.06	\$1,206.51	\$33.15
<p><u>Bonded Indebtedness:</u></p> <p>CIP-Park Improvements</p>	\$3.11	\$2.11	\$4.65	\$23.27	\$48.40	\$1.33
<p><u>Park Facilities & Related O&M:</u></p> <p>Park Main., Youth Employment Program, Graffiti Abatement</p>	\$16.99	\$11.56	\$29.05	\$145.26	\$302.14	\$8.30
<p>Proposed Assessment:</p> <p style="padding-left: 40px;">With Lights: \$74.89 \$52.03</p> <p style="padding-left: 40px;">Without Lights: \$46.47 \$32.14</p>			\$149.73	\$748.59	\$1,557.05	\$42.77
<p><i>Current Year Assessment (FY10/11):</i></p> <p style="padding-left: 40px;"><i>With Lights: \$72.46 \$50.33</i></p> <p style="padding-left: 40px;"><i>Without Lights: \$45.39 \$31.38</i></p>			\$146.94	\$734.63	\$1,528.00	\$41.98
<p><i>Change in assessment with 2.08% CPI increase adjustment:</i></p> <p style="padding-left: 40px;"><i>With Lights: \$2.43 \$1.70</i></p> <p style="padding-left: 40px;"><i>Without Lights: \$1.09 \$0.76</i></p>			\$2.79	\$13.97	\$29.05	\$0.80