

**Meeting Date:** 7/16/2013

**Report Type:** Public Hearing

**Report ID:** 2013-00161

**Title: Citywide Landscaping and Lighting Assessment District - Public Hearing  
(Published on July 2, 2013)**

**Location:** Citywide

**Issue:** State law requires maintenance districts, formed under the Landscaping and Lighting Act of 1972, to conduct a public hearing prior to levying an assessment.

**Recommendation:** Conduct a public hearing and upon conclusion, pass a Resolution confirming diagram, and assessment and levying the assessment for Fiscal Year (FY) 2013-14 for the Citywide Landscaping and Lighting Assessment District.

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

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

**Department:** Finance

**Division:** Public Improvement Finance

**Dept ID:** 06001321

**Attachments:**

1-Description/Analysis

2-Background

3-Schedule of Proceedings

4-Proposed FY2013-14 Budget for the Citywide Landscaping and Lighting Assessment District

5-Resolution Confirming Diagram and Levying Assessment

---

**City Attorney Review**

Approved as to Form  
Michael W. Voss  
7/9/2013 9:32:48 AM

**City Treasurer Review**

Reviewed for Impact on Cash and Debt  
Russell Fehr  
6/27/2013 5:29:29 PM

**Approvals/Acknowledgements**

Department Director or Designee: Dennis Kauffman - 7/3/2013 1:54:51 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 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 FY 2013-14.

**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.

**Economic Impacts:** This report does not have direct economic impacts.

### **Environmental Considerations:**

**California Environmental Quality:** 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 1972 Act, for annual proceedings of an existing district.

**Financial Considerations:** Each year, the District assessment and budget are 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 or deficit in the District fund balance at the end of the current fiscal year. The proposed increase in the FY 2013-14 assessment by land use category is 2.38%, a percentage determined by the change in the April 2013 Consumer Price Index (CPI) associated with the San Francisco area, all items, but not to exceed 3% in any year. Based on this increase, the assessment totals \$14,792,163. As shown on Attachment 4, the proposed FY 2013-14 District expenditure budget will total \$15,731,516, an increase of \$777,428 or 5.2% over the current FY 2012-13 District expenditure budget. The balance of the increase to the expenditure 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 District, established in August of 1989, provides 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 be repaid after tax year 2016.
- 3) Ongoing Park Maintenance, Park Improvements, and Graffiti Abatement: The portion of the assessment for these services was approved by voters in November 1996.

The budget by category is provided in Attachment 4.

## SCHEDULE OF PROCEEDINGS

### CITYWIDE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT FY 2013-14 SCHEDULE

June 11, 2013 Council Considers Resolution of Intention and Sets Date for Public Hearing

July 06, 2013 Publish Notice of Meeting and Hearing

**July 16, 2013 Public Hearing: Council Orders Annual Levy**

August 2013 Assessments to County for Placement on Tax Roll

**PROPOSED FY 2013-14 BUDGET FOR FUND 2232  
CITYWIDE LANDSCAPING AND LIGHTING DISTRICT**

**(Includes 2.38% CPI adjustment increase in assessments)**

	<b>Approved FY 2012-13</b>	<b>Proposed FY 2013-14</b>
<b><u>Street-Related Operations and Maintenance (O and M):</u></b>		
Safety Lighting and Medians	\$2,040,687	\$2,112,111
Neighborhood Street Lighting Maintenance	3,855,226	3,990,159
Tree Maintenance – Residential	3,616,893	3,743,484
Tree Maintenance – Non-Residential	1,225,458	1,478,174
Administration and Billing	<u>154,322</u>	<u>159,502</u>
<b>Subtotal Street Related O and M</b>	<b>\$10,892,586</b>	<b>\$11,483,430</b>
<b><u>Ongoing Park Maintenance:</u></b>		
Park Maintenance and Improvements	\$3,243,814	\$3,457,348
Graffiti Abatement	178,908	150,000
Administration and Billing	<u>49,189</u>	<u>51,770</u>
<b>Subtotal Ongoing Park Maintenance:</b>	<b>\$3,471,911</b>	<b>\$3,659,118</b>
<b><u>Bonded Indebtedness:</u></b>		
Park Capital Improvement Programs	\$582,463	\$581,750
Administration and Billing	<u>7,128</u>	<u>7,218</u>
<b>Subtotal Bonded Indebtedness</b>	<b>\$589,591</b>	<b>\$588,968</b>
<b>TOTAL DISTRICT BUDGET</b>	<b>\$14,954,088</b>	<b>\$15,731,516</b>
Fund Balance Offset	(543,129)	(939,353)
<b>TOTAL ASSESSED TO PROPERTY OWNERS:</b>	<b>\$14,410,959</b>	<b>\$14,792,163</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) 2013-14 (Pursuant to Landscaping and Lighting Act of 1972)**

### **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 Public Works, as the Engineer of Work for the District, to prepare and file an Annual Report for the FY 2013-14.
- D. The Engineer of Work filed the Annual Report on June 11, 2013, and Council adopted the resolution approving the Engineer’s Annual Report and Intention to levy and collect assessments within the assessment district for FY 2013-14 and set a public hearing for July 16, 2013, 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 FY 2013-14 assessments are increased by the change between the April 2013 and the April 2012 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 Division 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 June 11, 2013; and
- b) Levies the assessment set forth in the Engineer’s Annual Report.

Section 2. Exhibit A is part of this resolution.

Exhibit A: FY 2013-14 District Budget and Parcel Assessments

**EXHIBIT A**  
**CITYWIDE LANDSCAPING AND LIGHTING DISTRICT FY 2013-14**  
**DISTRICT BUDGET AND PARCEL ASSESSMENTS**

**DISTRICT BUDGET**

<i>Estimated</i> Beginning Fund Balance (FY 2013-14)	\$ 3,680,270
Total Assessed to Property Owners	<u>14,792,163</u>
<b>Total Resources</b>	<b>\$18,472,433</b>
Street-Related Operations and Maintenance	11,323,928
Park Maintenance and Graffiti Abatement	3,607,348
Bonded Indebtedness	581,750
Administration and Billing	<u>218,490</u>
<b>Total Expenditures</b>	<b>\$15,731,516</b>
<i>Estimated</i> Ending Fund Balance	\$2,740,917
Year-Over-Year Change in Fund Balance	(\$939,353)

## PARCEL ASSESSMENTS

PROPOSED ANNUAL ASSESSMENTS FOR FY 2013-14						
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 With Lights: Without Lights:	\$56.09 \$27.00	\$39.27 \$18.90	\$117.43	\$587.15	\$1,221.25	\$33.55
<b><u>Bonded Indebtedness:</u></b> CIP-Park Improvements	\$3.05	\$2.08	\$4.58	\$22.88	\$47.58	\$1.31
<b><u>Park Facilities &amp; Related O&amp;M:</u></b> Park Main., Youth Employment Program, Graffiti Abatement	\$17.39	\$11.84	\$29.74	\$148.69	\$309.27	\$8.49
<b>Proposed Assessment:</b> With Lights: Without Lights:	<b>\$76.54</b> <b>\$47.45</b>	<b>\$53.18</b> <b>\$32.82</b>	<b>\$151.76</b>	<b>\$758.71</b>	<b>\$1,578.10</b>	<b>\$43.35</b>
<i>Current Year Assessment (FY12/13):</i> With Lights: Without Lights:	\$74.89 \$46.47	\$52.03 \$32.14	\$149.73	\$748.59	\$1,557.05	\$42.77
<i>Change in assessment with 2.38% CPI increase adjustment:</i> With Lights: Without Lights:	\$1.65 \$0.98	\$1.15 \$0.68	\$2.03	\$10.12	\$21.05	\$0.58