

Meeting Date: 8/7/2014

Report Type: Public Hearing

Report ID: 2014-00099

Title: Citywide Landscaping & Lighting Assessment District - Public Hearing (Noticed 07/28/2014)

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) 2014-15 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 FY2014-15 Citywide L&L District Budget Table
- 5-Resolution, Confirming Diagram and Levying Assessment

City Attorney Review

Approved as to Form
Michael W. Voss
7/24/2014 1:31:58 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 7/16/2014 3:35:57 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 maintenance of the improvements in the District for FY2014/15.

Policy Considerations: The District provides funding for a variety of operations and maintenance services throughout the City including arterial and intersection lighting, neighborhood street lighting, medians, street trees, neighborhood parks, and graffiti abatement. The District also funds park capital improvements.

Environmental Considerations: Under California Environmental Quality Act guidelines, annual proceedings of a special district do not constitute a project, and are therefore exempt from review.

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. As shown on Attachment 4, the proposed FY2014/15 District expenditure budget will total \$16,172,687, an increase of \$441,171 or 2.8 percent over the current FY2013/14 District expenditure budget.

The proposed increase in the FY2014/15 assessment by land use category is 2.79 percent, a percentage determined by the change in the April 2014 Consumer Price Index (CPI) associated with the San Francisco Area, All Items, but not to exceed three percent in any year. Based on this increase, the assessment totals \$15,196,291. The difference between the expenditure budget and the assessment is being funded from available fund balance.

Local Business Enterprise (LBE): Not applicable.

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 expire after tax year 2016.
- 3) Ongoing Park Maintenance, Park Improvements, and Graffiti Abatement: Park maintenance, graffiti abatement, and funding for park capital improvement projects. This portion of the assessment 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
FY2014/15 SCHEDULE**

June 10, 2014 Council Considers Resolution of Intention and Sets Date for Public Hearing

July 22, 2014 Council Considers Replacing Resolution of Intention adopted June 10, Adopting Revised Resolution of Intention and Setting Date for Public Hearing

July 28, 2014 Publish Notice of Meeting and Hearing

August 7, 2014	Public Hearing: Council Orders Annual Levy
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August 15, 2014 Assessments to County for Placement on Tax Roll

**PROPOSED FY2014/15 BUDGET FOR FUND 2232
CITYWIDE LANDSCAPING AND LIGHTING DISTRICT**

(Includes 2.79% CPI adjustment increase in assessments)

	Approved FY2013/14	Proposed FY2014/15
<u>Street Related Operations and Maintenance (O and M):</u>		
Safety Lighting and Medians	\$2,112,111	\$2,426,428
Neighborhood Street Lighting Maintenance	3,990,159	4,129,814
Tree Maintenance – Residential	3,743,484	3,874,506
Tree Maintenance – Non-Residential	1,478,174	1,312,741
Administration and Billing	<u>159,502</u>	<u>170,013</u>
Subtotal Street Related O and M	\$11,483,430	\$11,913,502
<u>Ongoing Park Maintenance:</u>		
Park Maintenance and Improvements	\$3,457,348	\$3,465,000
Graffiti Abatement	150,000	150,000
Administration and Billing	<u>51,770</u>	<u>52,335</u>
Subtotal Ongoing Park Maintenance:	\$3,659,118	\$3,667,335
<u>Bonded Indebtedness:</u>		
Park Capital Improvement Programs	\$581,750	\$584,525
Administration and Billing	<u>7,218</u>	<u>7,325</u>
Subtotal Bonded Indebtedness	\$588,968	\$591,850
TOTAL DISTRICT BUDGET	\$15,731,516	\$16,172,687
Fund Balance Offset	(939,353)	(976,396)
TOTAL ASSESSED TO PROPERTY OWNERS:	\$14,792,163	\$15,196,291

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 2014/15 (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 Fiscal Year (FY) 2014/15.
- D. The Engineer of Work filed the Annual Report on July 22, 2014, and Council adopted the Resolution approving the Engineer’s Annual Report and Intention to levy and collect assessments within the assessment district for FY2014/15 and set a public hearing for August 7, 2014, 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 FY2014/15 assessments are increased by the change between the April 2014 and the April 2013 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 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 July 22, 2014; 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: FY2014/15 District Budget & Parcel Assessments

EXHIBIT A
CITYWIDE LANDSCAPING & LIGHTING DISTRICT FY2014/15
DISTRICT BUDGET AND PARCEL ASSESSMENTS

DISTRICT BUDGET

<i>Estimated</i> Beginning Fund Balance (FY 2013-14)	\$ 4,510,274
Total Assessed to Property Owners	<u>15,196,291</u>
Total Resources	\$19,706,565
Street Related Operations and Maintenance	11,743,489
Park Maintenance and Graffiti Abatement	3,615,000
Bonded Indebtedness	584,525
Administration and Billing	<u>229,673</u>
Total Expenditures	\$16,172,687
<i>Estimated</i> Ending Fund Balance	\$3,533,878
Year-Over-Year Change in Fund Balance	(\$976,396)

PARCEL ASSESSMENTS

PROPOSED ANNUAL ASSESSMENTS FOR FY2014/15						
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	
<u>Street Related O&M:</u> Safety & Neighborhood Lighting Maintenance & Replacement Program, Median Maintenance & Construction, Tree Maintenance With Lights: Without Lights:	\$57.35 \$27.61	\$40.15 \$19.32	\$118.79	\$593.94	\$1,235.38	\$33.94
<u>Bonded Indebtedness:</u> CIP-Park Improvements	\$3.09	\$2.10	\$4.62	\$23.12	\$48.10	\$1.32
<u>Park Facilities & Related O&M:</u> Park Main., Youth Employment Program, Graffiti Abatement	\$17.78	\$12.10	\$30.40	\$152.01	\$316.18	\$8.68
Proposed Assessment: With Lights: Without Lights:	\$78.22 \$48.48	\$54.35 \$33.52	\$153.81	\$769.07	\$1,599.66	\$43.94
<i>Current Year Assessment (FY13/14):</i> <i>With Lights:</i> <i>Without Lights:</i>	<i>\$76.54</i> <i>\$47.45</i>	<i>\$53.18</i> <i>\$32.82</i>	<i>\$151.76</i>	<i>\$758.71</i>	<i>\$1,578.10</i>	<i>\$43.35</i>
<i>Change in assessment with 2.79% CPI increase adjustment:</i> <i>With Lights:</i> <i>Without Lights:</i>	<i>\$1.68</i> <i>\$1.03</i>	<i>\$1.17</i> <i>\$0.70</i>	<i>\$2.05</i>	<i>\$10.36</i>	<i>\$21.56</i>	<i>\$0.59</i>