

**Meeting Date:** 7/14/2015

**Report Type:** Public Hearing

**Report ID:** 2015-00163

**Title:** Citywide Landscaping & Lighting Assessment District (Noticed 07/02/2015)

**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) 2015/16 for the Citywide Landscaping and Lighting Assessment District.

**Contact:** Diane Morrison, Program Specialist, (916) 808-7535; Mark Griffin, 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 FY2015-16 Citywide L&L District Budget Table
- 5-Resolution Confirming Diagram and Levying Assessment

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**City Attorney Review**

Approved as to Form  
Michael W. Voss  
7/7/2015 10:41:47 AM

**Approvals/Acknowledgements**

Department Director or Designee: Leyne Milstein - 6/29/2015 10:30:26 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 maintenance of the improvements in the District for FY2015/16.

**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 if funds are available.

**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 associated budgets 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 FY2015/16 District expenditure budget will total \$16,450,531, an increase of \$277,844 or 1.7 percent over the current FY2014/15 District expenditure budget.

The proposed increase in the FY2015/16 assessment by land use category is 2.44 percent, a percentage determined by the change in the April 2015 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 \$15,511,999.

The difference between the actual expenditure and the assessment is funded from fund balance. Use of fund balance for FY2015/16 is decreasing by \$37,864 or 4.0% compared to FY2014/15.

**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 if available. 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  
FY2015/16 SCHEDULE**

June 9, 2015      Council Considers Resolution of Intention and Sets Date for Public Hearing

July 2, 2015      Publish Notice of Meeting and Hearing

<b>July 14, 2015</b>	<b>Public Hearing: Council Orders Annual Levy</b>
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August 2015      Assessments to County for Placement on Tax Roll

ATTACHMENT 4

**PROPOSED FY2015/16 BUDGET FOR FUND 2232  
CITYWIDE LANDSCAPING AND LIGHTING DISTRICT  
With 2.44% CPI Increase**

	<b>Approved FY2014/15</b>	<b>Proposed FY2015/16</b>
<b><u>Street Related Operations &amp; Maintenance:</u></b>		
Safety Lighting & Medians	\$2,426,428	\$2,426,428
Neighborhood Street Lighting Maintenance	4,129,814	4,129,814
Tree Maintenance – Residential	3,874,506	4,010,114
Tree Maintenance – Non-Residential	1,312,741	1,312,741
Administration & Billing	<u>170,013</u>	<u>187,991</u>
<b>Subtotal Street Related O&amp;M</b>	<b>\$11,913,502</b>	<b>\$12,067,088</b>
<b><u>On-Going Park Maintenance:</u></b>		
Park Maintenance & Improvements	\$3,465,000	\$3,586,275
Graffiti Abatement	150,000	150,000
Administration & Billing	<u>52,335</u>	<u>59,107</u>
<b>Subtotal On-Going Park Maintenance:</b>	<b>\$3,667,335</b>	<b>\$3,795,382</b>
<b><u>Bonded Indebtedness:</u></b>		
Park CIP Improvements	\$584,525	\$580,788
Administration & Billing	<u>7,325</u>	<u>7,273</u>
<b>Subtotal Bonded Indebtedness</b>	<b>\$591,850</b>	<b>\$588,061</b>
<b>TOTAL DISTRICT BUDGET</b>	<b>\$16,172,687</b>	<b>\$16,450,531</b>
Fund Balance Offset	(976,396)	(938,532)
<b>TOTAL ASSESSED TO PROPERTY OWNERS:</b>	<b>\$15,196,291</b>	<b>\$15,511,999</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 2015/16  
(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) 2015/16.
- D. The Engineer of Work filed the Annual Report on June 9, 2015, and Council adopted the Resolution approving the Engineer’s Annual Report and Intention to levy and collect assessments within the assessment district for FY2015/16 and set a public hearing for July 14, 2015, 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 FY2015/16 assessments are increased by the change between the April 2015 and the April 2014 Consumer Price Index, and equal to the highest authorized amount for the District shown on Exhibit A.

**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 9, 2015; 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: FY2015/16 District Budget & Parcel Assessments

**EXHIBIT A**  
**CITYWIDE LANDSCAPING & LIGHTING DISTRICT FY2015/16**  
**DISTRICT BUDGET AND PARCEL ASSESSMENTS**

**DISTRICT BUDGET**

Estimated Beginning Fund Balance	11,958,479
Total Assessed to Property Owners	<u>15,511,999</u>
<b>Total Resources</b>	<b><u><u>27,470,478</u></u></b>
Street Related Operations and Maintenance	11,879,097
Park Maintenance and Graffiti Abatement	3,736,275
Bond Indebtedness	580,788
Administration and Billing	<u>254,371</u>
<b>Total Expenditures</b>	<b><u><u>16,450,531</u></u></b>
Estimated Ending Fund Balance	<u>11,019,947</u>
Year-Over-Year Change in Fund Balance	<u>(938,532)</u>

## PARCEL ASSESSMENTS

PROPOSED ANNUAL PARCEL ASSESSMENTS FY2015/16						
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	n/a	n/a	120.66	603.27	1,254.79	34.47
With Lights:	59.07	41.35	n/a	n/a	n/a	n/a
Without Lights:	28.43	19.90	n/a	n/a	n/a	n/a
<b><u>Bonded Indebtedness:</u></b>						
CIP-Park Improvements	3.07	2.09	4.60	23.00	47.83	1.31
<b><u>Park Facilities &amp; Related O&amp;M:</u></b>						
Park Maintenance, Youth Employment Program, Graffiti Abatement	18.31	12.46	31.31	156.57	325.66	8.94
<b>Proposed Assessment:</b>	<b>n/a</b>	<b>n/a</b>	<b>\$156.57</b>	<b>\$782.84</b>	<b>\$1,628.28</b>	<b>\$44.72</b>
<b>With Lights:</b>	<b>\$80.45</b>	<b>\$55.90</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Without Lights:</b>	<b>\$49.81</b>	<b>\$34.45</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<i>Current Year Assessment (FY14/15):</i>	<i>n/a</i>	<i>n/a</i>	<i>153.83</i>	<i>769.07</i>	<i>1,599.66</i>	<i>43.95</i>
<i>With Lights:</i>	<i>78.22</i>	<i>54.35</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
<i>Without Lights:</i>	<i>48.48</i>	<i>33.53</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
<i>Change in assessment with 2.44% CPI increase adjustment:</i>	<i>n/a</i>	<i>n/a</i>	<i>2.74</i>	<i>13.77</i>	<i>28.62</i>	<i>0.77</i>
<i>With Lights:</i>	<i>2.23</i>	<i>1.55</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
<i>Without Lights:</i>	<i>1.33</i>	<i>0.92</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>