

Meeting Date: 6/21/2016

Report Type: Public Hearing

Report ID: 2016-00242

Title: Neighborhood Lighting District - Public Hearing (Noticed 06/10/2016)

Location: Districts 2, 5, & 6

Recommendation: Conduct a public hearing and upon conclusion, pass a Resolution confirming diagram and assessment, and levying an assessment for Fiscal Year (FY) 2016/17 for the Neighborhood Lighting District.

Contact: Diane Morrison, Program Specialist, (916) 808-7535; Mark Griffin, Special Districts 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-Resolution, Confirming Diagram and Assessment and Levying Assessment

City Attorney Review

Approved as to Form
Michael W. Voss
6/8/2016 1:28:07 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 6/2/2016 9:34:53 AM

Description/Analysis

Issue Detail: The City is required by the California Streets and Highways Code to present an annual budget for the Neighborhood Lighting District (District) to City Council for approval. Approval of the annual budget will authorize the City to collect assessments in the amount sufficient to provide funding for maintenance of the neighborhood lighting in this District for FY2016/17.

Policy Considerations: The recommended action will ensure the continuation of an affordable means of providing for neighborhood lights by funding the maintenance and energy cost of lights on Sacramento Municipal Utilities District (SMUD) wood poles.

Economic Impacts: None

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.

Sustainability: Not applicable.

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: The annual District budget is developed taking into consideration 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. The District assessment budget for FY2016/17 is projected at \$43,688 and District expenditure budget at \$38,036 as shown on Exhibit B and as detailed in the Engineer's Report on file with Public Improvement Finance Division of the Department of Finance.

The District consists of three subdivisions. Details of the assessment and cost for each subdivision as well as a breakdown per single family lot are provided in the Background section of the report and Exhibit B. The District is self-supporting and has no impact on the General Fund or other funding sources.

Local Business Enterprise (LBE): Not applicable.

BACKGROUND

On October 22, 1996, Council approved formation of the District (Resolution No. 96-577) for the Swanston Estates neighborhood. The District provides an affordable means to provide neighborhood lights by placing lights on SMUD wood poles. Two other neighborhoods, Youngs Heights and Colonial Heights, have since annexed to the District.

District services include the maintenance and energy cost of neighborhood lights, and the district administration and billing costs. Assessments cannot exceed the maximum as defined as the initial assessment adjusted annually by the lesser of 3 percent or the change in the Consumer Price Index (CPI), San Francisco Area, All Items. The change in the February 2016 CPI index was 3.02 percent over the prior year. Assessments are often lower than the maximum allowed and can increase at rates higher than the CPI provided the maximum is not exceeded.

To cover expenditures and maintain a prudent fund balance the FY2016/17 assessment for the Swanston Estates subdivision will remain at the FY2015/16 rate and the Colonial Heights subdivision will increase to the maximum assessment rate. The FY2016/17 Youngs Heights assessment will increase from the FY 2015/16 assessment by the allowable CIP index of 3.00 percent.

The following table summarizes the prior year assessment, FY2015/16 annual assessment, and maximum assessment allowed for each subdivision:

Neighborhood	FY2015/16 Assessment	FY2016/17 Assessment	Maximum Authorized in FY2016/17
Swanston Estates	\$28.08	\$28.08	\$28.92
Youngs Heights	\$26.80	\$27.60	\$27.60
Colonial Heights	\$25.26	\$28.92	\$28.92

At the conclusion of the public hearing, staff will recommend Council adopt the District budget and levy the assessments. The total cost to property owners in FY2016/17 is projected to be \$43,688.

A map of the District is included as Exhibit A to the resolution.

SCHEDULE OF PROCEEDINGS
NEIGHBORHOOD LIGHTING DISTRICT
FY2016/17 SCHEDULE

May 24, 2016 Council Considers Resolution of Intention and Sets Date for Public Hearing

June 10, 2016 Publish Notice of Meeting and Hearing

June 21, 2016	City Council – Public Hearing Council Orders Annual Levy
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August 2016 Assessments to County for Placement on Tax Roll

RESOLUTION NO.

Adopted by the Sacramento City Council

CONFIRMING DIAGRAM AND ASSESSMENT AND LEVYING ASSESSMENT FOR THE NEIGHBORHOOD LIGHTING DISTRICT FOR FISCAL YEAR 2016/17 (Pursuant to Landscaping and Lighting Act of 1972)

BACKGROUND

- A.** The Neighborhood Lighting District (District), as depicted in Exhibit A, was established by the City Council (Council) and approved by the Swanston Estates neighborhood property owners on October 22, 1996. Two other neighborhoods, Youngs Heights and Colonial Heights, have since annexed to the District.
- 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) (the 1972 Act), and has previously levied assessments on property in the District to pay for operation and maintenance of neighborhood street lights on wood poles 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 Fiscal Year (FY) 2016/17.
- D.** The Engineer of Work filed the Annual Report on May 24, 2016, and Council adopted a Resolution approving the Engineer's Annual Report and Intention to levy and collect assessments within the assessment district for FY2016/17 and set a public hearing for June 21, 2016, in the meeting place of City Council Chambers, 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 typical annual assessment in FY2016/17 for a single-family parcel will be as follows: \$28.08 per parcel in the Swanston Estates subdivision, \$27.60 per parcel in the Youngs Heights subdivision, and \$28.92 per parcel in the Colonial Heights subdivision.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE COUNCIL RESOLVES AS FOLLOWS:

Section 1. The Council:

- a) Confirms the assessment diagram and the assessment roll set forth in the Engineer's Annual Report.
- b) Levies the assessment set forth in the Engineer's Annual Report.

Section 2. The City Manager is authorized to make any necessary budgetary adjustments associated with the approval of the Engineer's Annual Report for FY2016/17.

Section 3. Exhibits A and B are part of this resolution.

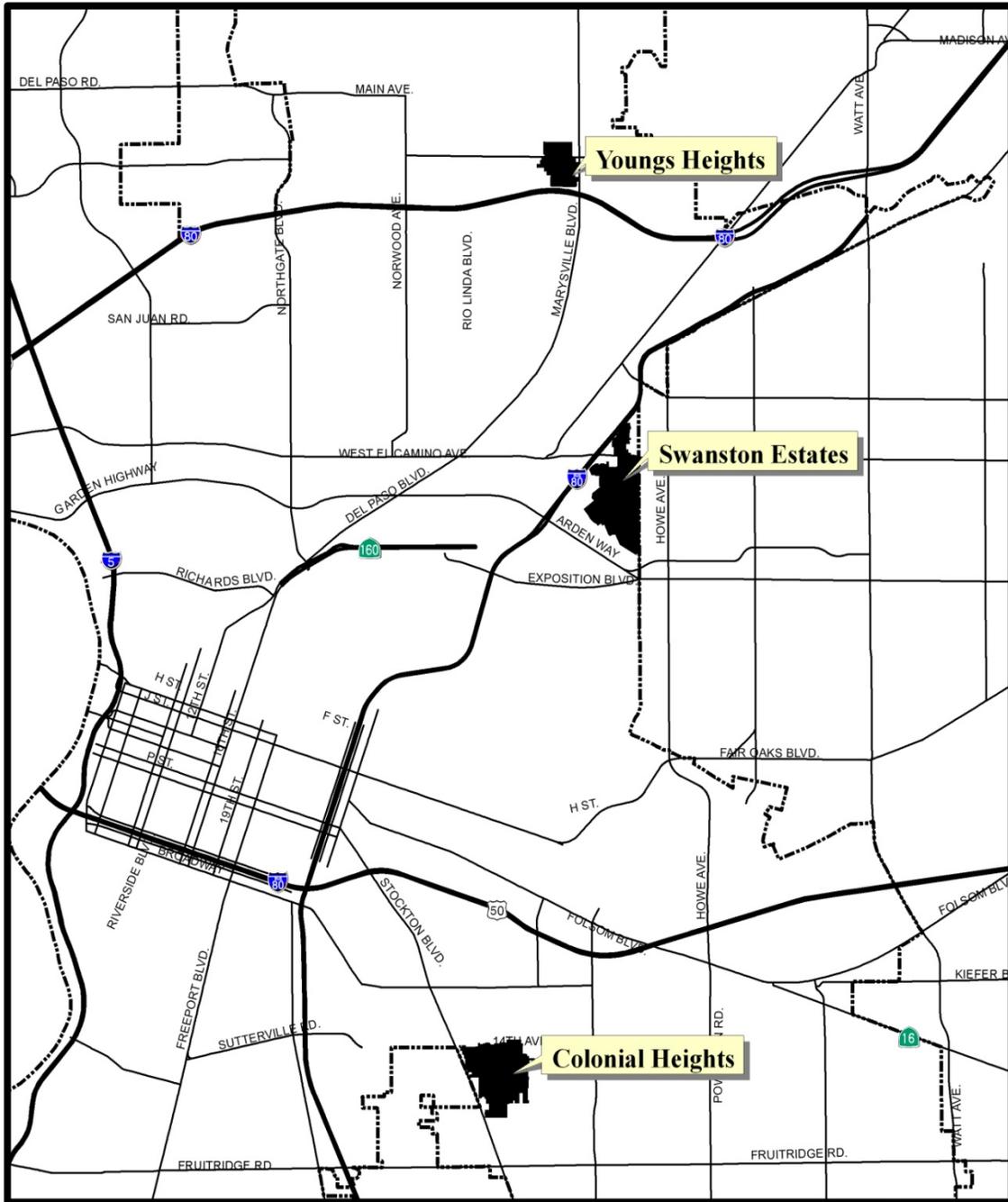
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Exhibit A: District Map

Exhibit B: FY2016/17 District Budget, Parcel, and Neighborhood Assessment

EXHIBIT A

Neighborhood Lighting District 96-07



 City Boundary
 District Boundary

0 0.5 1 2 Miles



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EXHIBIT B

**NEIGHBORHOOD LIGHTING DISTRICT
DISTRICT BUDGET, PARCEL AND NEIGHBORHOOD ASSESSMENTS
FUND 2202, FY2016/17**

DISTRICT BUDGET

Estimated Beginning Fund Balance	19,509
Total Assessed to Property Owners	<u>43,688</u>
Total Resources	<u><u>\$63,197</u></u>
Department of Public Works (Streets)	
Street Lighting Maintenance	24,408
Administrative Costs	
Public Improvement Financing	
Administration	12,001
Parcel reporting	0
Accounting	
Administration	986
County Billing	641
Total Expenditures	<u><u>\$38,036</u></u>
Estimated Ending Fund Balance	<u>25,161</u>
Year-Over-Year Change in Fund Balance	<u>5,652</u>

PARCEL ASSESSMENTS

The following is a breakdown of the average cost per single-family lot in each neighborhood with less than 100 feet of frontage.

Neighborhood	# of Lots	Maximum Authorized	FY2016/17
Swanston Estates	698	\$28.92	\$28.08
Youngs Heights	30	\$27.60	\$27.60
Colonial Heights	718	\$28.92	\$28.92

NEIGHBORHOOD ASSESSMENTS

The cost for each individual neighborhood is as follows:

Neighborhood	FY2016/17 Budget	Surplus/ (deficit)	FY2016/17 Assessed
Swanston Estates	\$16,054	\$4,753	\$20,807
Youngs Heights	826	278	1,104
Colonial Heights	21,156	621	21,777
Totals:	\$38,036	\$5,652	\$43,688